

THE GLASS CEILING

Y 4. SM 1:103-27

The Glass Ceiling, Serial No. 103-2...

HEARING

BEFORE THE

COMMITTEE ON SMALL BUSINESS

HOUSE OF REPRESENTATIVES

ONE HUNDRED THIRD CONGRESS

FIRST SESSION

WASHINGTON, DC, JUNE 24, 1993

Printed for the use of the Committee on Small Business

Serial No. 103-27



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CONTENTS

	Page
Hearing held on June 24, 1993.....	1

WITNESSES

THURSDAY, JUNE 24, 1993

Brown, Nikki, president and chief executive officer, the Wilton Bank.....	14
Chappell, Emma C., founder, chairman, and chief executive officer, United Bank of Philadelphia.....	16
Eshoo, Hon. Anna G., a Representative in Congress from the State of California.....	8
Hubbard, Kareta, principal, Hubbard & Revo-Cohen, Inc.	20
Miller, Joyce, Executive Director, Glass Ceiling Commission, U.S. Department of Labor.....	12
Mink, Hon. Patsy T., a Representative in Congress from the State of Hawaii ...	4
Revo-Cohen, Lynne, principal, Hubbard & Revo-Cohen, Inc.	23
Richards, Emily-May F., president, the Richards Group, P.C.....	18

APPENDIX

Opening statements:	
LaFalce, Hon. John J.	28
Margolies-Mezvinsky, Hon. Marjorie.....	31
Meyers, Hon. Jan.....	33
Poshard, Hon. Glenn.....	32
Prepared statements:	
Brown, Nikki.....	64
Chappell, Emma C.	68
Eshoo, Hon. Anna G.	54
Hubbard, Kareta.....	75
Miller, Joyce.....	56
Mink, Hon. Patsy T.....	50
Richards, Emily May F.	71
Statements submitted for the record:	
Flake, Hon. Floyd H.	35
Johnson, Hon. Eddie Bernice.....	38
Molinari, Hon. Susan.....	43
Ramstad, Hon. Jim.....	37
Schenk, Hon. Lynn.....	48
U.S. Department of Labor, Glass Ceiling Commission, mission statement	78

THE GLASS CEILING

THURSDAY, JUNE 24, 1993

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SMALL BUSINESS,
Washington, DC.

The committee met, pursuant to notice, at 10:05 a.m., in room 2359-A, Rayburn House Office Building, Hon. John J. LaFalce (chairman of the committee) presiding.

Chairman LAFALCE. The committee will come to order.

Today, the Committee on Small Business will be examining a problem that women and minorities have known about for as long as they have been in the work force, but which corporate and small business America has only come to acknowledge as a problem relatively recently: The glass ceiling.

As all of us here know, the glass ceiling refers to discriminating against an entire bloc of the labor pool, with no differentiation for individual ability and potential. As Ann Morrison says in her book, "Breaking the Glass Ceiling," "the glass ceiling applies to women as a group who are kept from advancing higher *because they are women.*"

There are numerous statistics proving the dearth of women and minorities in senior management, in decisionmaking positions, and on corporate boards. One I would mention is a 1990 study done by the UCLA Graduate School of Management and Korn/Ferry International, a corporate recruiter, which found that, over the past 10 years, there has only been a slight increase in the number of women and minorities in the top executive positions of the country's 1,000 largest corporations. From less than 3 percent in 1979, minorities and women were found in 1990 to still hold less than 5 percent of top managerial positions.

Today, 45 percent of employed workers are women and about two-thirds of all new entrants in the work force now through the year 2000 will be women. That is a rather amazing statistic. I will repeat it. Forty-five percent of employed workers are women and about two-thirds of all new entrants in the work force from now through the year 2000 will be women.

Companies can ill afford to ignore or alienate such a large and growing pool of potential employees in terms of either hiring, promotion, compensation, training, or retention.

The impact and significance of the glass ceiling on the small business community in particular is noteworthy. On the positive side, the burgeoning number of small firms being started by women and minorities can be partly attributed to the glass ceiling, as some who have plateaued as employees are opting to leave and

become entrepreneurs; and these small business owners, who are certainly sensitive to the glass ceiling dilemma, can take the lead in shattering the glass ceiling by showing that one can employ a diverse work force, remain competitive, and make a profit.

However, the glass ceiling phenomenon potentially deprives small businesses of resources they can least afford to lose. Smaller businesses, with their concomitant smaller staffs, must, for their very survival, be open to using all of the talents of all the people on their payroll. Giving in to glass ceiling stereotypes and assumptions about who can perform at the top levels or who would want to take on that responsibility is shortsighted and a poor business practice.

Small business owners, and women business owners in particular, can be the role models for shattering the glass ceiling. The sheer numbers are telling. There are millions of small businesses in the United States versus thousands of large businesses, and women business owners employ the same number of people now as the Fortune 500 companies, according to a study by the National Association of Women Business Owners.

Moreover, the often informal and resourceful character of small businesses has made them innovators in other areas in the past. The challenge now is to channel the frustrations felt as employees and the talent that went unrewarded into creating places of employment that attract and develop the best employees.

I am very pleased with the distinguished panel of witnesses we have before us today. My distinguished colleagues, Congresswoman Patsy Mink of Hawaii and Congresswoman Anna Eshoo of California will be joining us shortly. They will be our first witnesses.

Our second panel will be composed of Ms. Joyce Miller, Director of the Glass Ceiling Commission at the Department of Labor; Ms. Nikki Brown, president and chief executive officer of the Wilton Bank, Wilton, Connecticut; Ms. Emma Chappell, founder and chairperson of the United Bank of Philadelphia; Ms. Emily-May Richards, president of the Richards Group, Atlanta, Georgia; and Ms. Karetta Hubbard, principal of Hubbard & Revo-Cohen, Inc., of Reston, Virginia, accompanied by her partner, Ms. Revo-Cohen.

Each witness is personally familiar with the glass ceiling, having shattered it for themselves and for others. I look forward to hearing their experiences and their recommendations.

Before we hear from Congresswoman Mink, though, I wonder if Congresswoman Margolies-Mezvinsky has anything she would like to say.

[Chairman LaFalce's statement may be found in the appendix.]

Ms. MARGOLIES-MEZVINSKY. Yes; briefly, Mr. Chair.

Thank you for holding this very important hearing today on the glass ceiling. As we all know, the glass ceiling is that artificial barrier, present in many companies, which prevents qualified women from advancing up the ladder.

Some of the women in Congress were given, when we first arrived, a pin showing a glass ceiling breaking. I don't see enough of them on here, but we should try to encourage more of us to wear them.

In too many of our country's office buildings, women are overlooked for jobs they are qualified for, having been judged on differ-

ent standards than men. The women's movement, as we all know, is more than 25 years old, yet in 1991, women hold only 6.6 percent of senior executive positions in surveyed Fortune 500 companies. Many women share the belief voiced by one female executive, that men seem to be promoted on their potential, while women get promoted on their performance, and it takes much longer.

Yet, there does exist some good news. Many women's frustrations have led us to venture out on our own and found our own businesses. In fact, many of the new small businesses created in recent years are women-owned and our numbers are growing. Denied the senior vice presidency spot in a large corporation, we become the presidents of our own small companies. One such woman happens to be testifying today before this committee about her experiences in the banking profession.

I am delighted to introduce to the committee Dr. Emma Chappell, who, as was mentioned before, will be part of the second panel. She is a resident of my district who founded the United Bank of Philadelphia after she confronted her own glass ceiling in a large nationally known corporation. Her bank is the first black-controlled, full-service commercial bank in Philadelphia and the only one in Pennsylvania.

Dr. Chappell has also served as the founding president of the Philadelphia Commercial Development Corp. and was the cochairperson of the Philadelphia City Council's Advisory Committee on Economic Development.

I welcome her here today and look forward to her testimony. Again, I thank you, Mr. Chair, for holding this most important hearing. I, unfortunately, have to step out—I hope for just a while—to chair another panel, and I will be back as soon as the Chair comes back.

Thank you.

[Ms. Margolies-Mezvinsky's statement may be found in the appendix.]

Chairman LAFALCE. We surely understand.

Any other members of the committee have any opening statements they might wish to make?

Mr. POSHARD. Mr. Chairman, I just ask unanimous consent to submit an opening statement for the record.

Chairman LAFALCE. Without objection, so ordered.

[Mr. Poshard's statement may be found in the appendix.]

Chairman LAFALCE. If there are no others, I see that Congresswoman Eshoo is here, and we will first hear from Congresswoman Patsy Mink. It is our pleasure to have you before us. It is a pleasure to have you back in Congress after the—

Mrs. MINK. Interlude.

Chairman LAFALCE. Interlude, yes. I remember well your earlier days here when I first arrived, and I remember well you were a very active president of the Americans for Democratic Action, ADA, not just a leader from Hawaii but a leader from the entire United States of America, which you continue to be. Please proceed.

TESTIMONY OF HON. PATSY T. MINK, A REPRESENTATIVE IN
CONGRESS FROM THE STATE OF HAWAII

Mrs. MINK. Thank you very much, Mr. Chairman. I appreciate your leadership in convening this very important meeting on an issue that confronts so many women and minorities in our country, and I must compliment you, Mr. Chairman, for not only convening this hearing, but convening so many members of your subcommittee. I testify frequently on many matters.

Chairman LAFALCE. It is the quality of the witnesses. When we told them who was coming, they said we must be there.

Mrs. MINK. I testify often and frequently and usually to one or two members of a subcommittee, so I think that not only the issue is reflected by the participation of your subcommittee, but certainly it accords tribute to your leadership, particularly in this area.

I have to also commend my colleague, Jan Meyers, for her leadership in this area and for her participation in the Congressional Caucus for Women's Issues. This is the reason for my presence here this morning. I chair the Congressional Caucus for Women's Issues Task Force on Economic and Educational Equity. I ask unanimous consent that my entire statement be put in the record at this point.

Chairman LAFALCE. Without objection, so ordered.

Mrs. MINK. Mr. Chair, as you noted in your remarks opening the hearing, this is an issue that is extremely important to women and to minorities in the work force. I want to stress the fact that while our focus has basically been on promotion difficulties and the recognition of talent at the upper echelons of the work force, when we make reference to top management or senior management, I want to stress the focus of this committee to the fact that the glass ceiling has many levels, and for many minorities and women the glass ceiling is far lower than one could imagine, and so that their potential for better jobs, for high paying jobs, for challenging responsibilities are restricted by these artificial barriers that are leveled against women and minorities at much lower levels.

This is reflected in the pay scales and the lack of opportunity that women and minorities have, and why they tend to cluster at lower levels of job function and employment, and why this has a depressing influence on the pay and other opportunities that women and minorities have.

So, while the Fortune 500 and other statistics with reference to senior management positions and executive positions are really what focuses our attention and propels us to take action in this area, I do hope that you recognize that the glass ceiling has many levels, and, depending upon where you enter the work force, that glass ceiling at your level can prevent your ability to increase in job responsibility, assignments, and in your pay.

It robs the society, the whole Nation, and business in particular of the opportunities of nearly one-half of our work force because we have these attitudes and barriers that prevent full recognition of the functioning potential of so many—nearly half of our work force. That is what I would hope that you would also pay some attention to, in addition to access to the top level management positions, because I do believe it is the glass ceiling at these lower

levels that have functioned to depress the salary opportunities and continues to remind us that we have this big differential between female compensation and male compensation in our society.

So, the statistics are there for your examination of the depression that has occurred in the job market and where women and minorities have been kept so-called in their place.

The phenomenon of aggressive and enterprising women and minorities moving into the small business arena, taking their talents and establishing their own businesses is remarkable proof of the existence of the barrier, and so it is extremely timely and appropriate that this committee take on this particular aspect of the problem, because it is true that women and minorities are moving rapidly into small business and being extremely successful. I hope that the committee will very stringently express the feeling that it is not a solution, to suggest that women or minorities who are not able to attain the positions of responsibility in big companies or corporations have that escape hatch where they can go out on their own, do their thing, and that our job in the Congress is to make it easy and profitable and provide incentives for such lateral movements. Rather I think it is the focus of the Congress and of this subcommittee, I would hope, to look at the glass ceiling as a form of discrimination which needs to be attacked.

Chairman LAFALCE. I want to point out, though, we are not meeting in subcommittee today, we are meeting in full committee.

Mrs. MINK. Full committee, I am sorry, I apologize.

So, I think the stress and the focus of this effort has to be at all levels of employment and not at the top levels.

When we look at the corporations, I think one point that can be examined very strictly is the training opportunities, because, clearly, if women and minorities were given access to training, they would have already a built-in opportunity for advancement. They would have been recognized as having unique qualities that would create a potential for advancement.

But the fact that women and minorities are systematically excluded from training and educational opportunities is clear evidence that from the very beginning they are left out. That, I think, is a very important focal point.

Second, I think it is important for the committee to understand that networking in big companies is what has such an insidious outcome, because many of the management opportunities or advancements or whatever, even the educational training opportunities are not distributed. The information for these opportunities is not distributed. Promotional opportunities or vacancies are not distributed widely through the corporations or the companies. So, the aspiring women and minorities do not have even a chance to compete, and that is an area I think that this committee could look at very strictly.

So, I think these are areas that clearly call for some public attention and some ways of opening up these opportunities.

Minorities are as seriously affected in these job opportunities as women. The blacks, Hispanics, Asians, all face these barriers. Since I represent the Asian community, some would say, well, the Asians are doing well. They are well-educated, they hold high technical positions in many companies, but they come up against a glass ceiling

which prevents them from getting into any type of management responsibility, largely, I think, because of stereotypes.

Stereotypes that affect women also affect the ethnic minorities, and so I hope that, through these hearings and through other efforts, this committee can give greater support to the Glass Ceiling Commission, the Chair of which will be testifying later, and call upon the Congressional Caucus for Women's Issues to provide whatever support and background information that you might need. We are ready to help and support you in whatever way we can. Thank you very much.

[Mrs. Mink's statement may be found in the appendix.]

Chairman LAFALCE. Thank you very much, Congresswoman Mink.

Before we go to our next witness, though, the ranking minority member, Jan Meyers, who is very interested in this issue, had to be someplace else for the first few minutes and didn't get an opportunity to give her opening statement. I would like to give her that opportunity now.

Mrs. MEYERS. Thank you. It will be brief.

I am a member of an international commission for St. Petersburg, and they are in town. I was welcoming them and speaking to them about foreign aid and other subjects to encourage investment and trade with St. Petersburg, so if any of you here are so inclined, you will find a welcome market.

I was pleased to notice that in the group that came here from St. Petersburg, there were two women who own their own small businesses. So, things are changing in Russia.

Thank you for scheduling this hearing on a topic that affects women, minorities, businesses, large and small, and the work force that will drive our economy into the next century.

The glass ceiling is a term that refers to the all too common situation of women and minorities rising up the business ladder only to plateau, unable to gain admittance to the top management professional jobs in their company.

Mr. Chairman, glass ceiling is a term-of-art that simply describes the very real discrimination that continues to exist for more than half of our work force, women and minorities. Since the U.S. Department of Labor, under the leadership of former Secretary Elizabeth Dole, launched its glass ceiling initiative in 1989, much needed attention has been drawn to the subtle, and not so subtle, discrimination in Corporate America as well as in the Federal Government.

The study has found that efforts to promote equal employment opportunities and monitoring for equal access often does not ascend to senior management levels or is not considered the responsibility of corporate officers. As a result, the promising careers of many talented individuals have been frustrated. Too many businesses are overlooking the rich talent pool right under their noses and forcing some of their best and brightest to strike out on their own to get out from under the glass ceiling.

As we will hear from our very talented group of witnesses assembled this morning, many successful small businesses have been launched under just those circumstances. Not only have they eliminated the barriers to their own careers, but they are providing jobs

for others. Most notably, our witnesses are to be commended for their efforts to employ other women and minorities in top positions in their businesses and for using flexible work policies to attract and retain these individuals.

Just as the small business community has pulled our economy to recovery, perhaps this same community will lead the way in getting the business community at large to make the necessary personnel changes that work with, rather than fight, changing workplace demographics.

Mr. Chairman, again, I thank you for holding this hearing and allowing me to speak late on a subject that is of great concern to me. I would like to welcome all of our witnesses and especially thank you, Mr. Chairman, for acting upon my suggestion to include Mrs. Karetta Hubbard among our distinguished panelists, and I hope we will continue to explore this issue as one that is important to the small business work force and a contributing factor to the growing pool of women and minority entrepreneurs.

Thank you, Mr. Chairman.

[Mrs. Meyers' statement may be found in the appendix.]

Chairman LAFALCE. Thank you very much, Mrs. Meyers.

A number of other Members have joined us for this hearing, and I would be remiss if I didn't ask them if they had some brief statements they would like to make. I know some can only be us with us a short time. I will call on them first.

Ms. Danner, do you have anything you wish to say?

Ms. DANNER. Thank you, Mr. Chairman.

Good to see some fellow colleagues there at the witness table. One of our colleagues gave us a lovely piece of jewelry very early in this session, and it depicts a glass ceiling being broken by a gold shaft, and we all wear that proudly. Not every day, but we do wear it, I can tell you that. We hold it in our minds proudly every day although we don't physically have it on our persons.

I want to commend every single person here who in any way is responsible for even one tiny crack in the glass ceiling, because that is what it is going to take, a lot of tiny cracks and pretty soon it will break, and I think it has already begun disintegrating.

This is a different world for this generation than perhaps for my generation. In my generation, for example, if a woman was interested in medicine, she became a nurse. Stop and think of how many 59-year-old doctors you know who are women and you will know that I am right. Today, my daughter is a medical doctor. There is a new world out there in medicine. There is a new world here in politics. I think some of us here before you prove that. There is a new world for women in business.

I can very well remember one day when I was campaigning, a woman came to me and said, I am going to work hard to help you win. I have been a secretary in this business all of my life and I have trained men as they would come to me—I see faces with a smile on them—I have trained these men who have come to me, and they have moved up the ladder, and they sent me another new one, and I would train him, and he would move up the ladder. I was never given that opportunity.

Today, I think we finally can say we have the opportunity, and we are moving up that ladder, and I commend every single one of you who has had any part in that.

Thank you, Mr. Chairman.

Chairman LAFALCE. Thank you very, very much.

Ms. Velazquez.

Ms. VELAZQUEZ. Thank you, Mr. Chairman.

I would like to extend a warm welcome to the witnesses here today. I cannot stress the importance of this hearing, both on a personal and professional level. When I was growing up in Puerto Rico, I never thought one day I could become the first Puerto Rican woman ever to serve in this House.

As a Latina, I have felt the effects of discrimination in this country. It is simultaneously a demeaning and humiliating experience. The glass ceiling is invisible but its impact on the lives of women is as solid as a lead door.

This hearing would not have taken place a decade ago. Many people would have dismissed the concept as speculation and paranoia on the part of women who have been denied promotions.

Today, Congress has the highest number of female Members and we hope that our presence here will help to bring to the forefront an issue that has plagued the professional lives of women across the Nation.

I look forward to everyone's testimony. Thank you, Mr. Chairman, for holding this important hearing.

Chairman LAFALCE. Thank you very much. I don't think any of the other Members have any statements at this time, so we will return to our witnesses.

The next witness, the distinguished freshman Member from California, Congresswoman Anna Eshoo.

TESTIMONY OF HON. ANNA G. ESHOO, A REPRESENTATIVE IN CONGRESS FROM THE STATE OF CALIFORNIA

Ms. ESHOO. Thank you and good morning, Mr. Chairman, and distinguished members of the committee. First, I would like to thank you for your leadership and the leadership of Mrs. Meyers on this issue. You didn't have to hold this hearing, but this is the legislative body of our Nation, and we are here to help and to represent all of our citizens, and this is an issue that still plagues us. So, I thank you for your leadership, and I couldn't mean that more.

June 10 was the 30th anniversary of the Equal Pay Act, yet women, in my view, have little to celebrate. Women still only earn 70 cents for every dollar earned by men. Since 1963, the pay differential between women and men has only narrowed by 10 cents. This figure is only an average. In some professions, women actually fare worse.

Only hourly workers come close to wage parity. While the pay gap has narrowed overall, this is mostly attributable to a decrease in men's salaries. When I first looked at the figures earlier this week, we had made some progress. That is the good news. The bad news is that it has taken 30 years, and yet looking more closely at these numbers, they are not even as good as one might think they are because of what I stated.

Women in highly paid positions often fare the worst. Only 7.5 percent of the 1,315 board members of America's 100 largest companies are women. Women constitute 37.2 percent of the Fortune 1,000 sized firms, yet women constitute only 6.6 percent of executives in these firms.

No one can dispute the fact that a glass ceiling exists. Whether the ceiling is institutional or attitudinal, it is there. Employers will argue that women get paid and promoted less because they lack the qualifications that men have.

What are adequate qualifications? Despite a woman's true qualifications or proven record, she may be held back based upon her lack of, quote, traditional qualifications. What are they? What are traditional qualifications? They could include advanced degrees, membership in service or professional organizations, or high-level positions.

For example, and I think that this is worth noting, the National Institutes of Health uses a set of criteria in screening prospective candidates for its high-level positions. One of the criteria they use is whether the candidate has served as a dean of a medical school. There are currently only three women serving as deans of medical schools in our Nation. So, this Catch-22 cycle is difficult, if not impossible, to break. Perhaps I shouldn't say impossible, but given the record, I can't help but sense that.

I am encouraged the Federal Government and media have begun to address the issue, but just as the Equal Pay Act has not worked, I am not convinced any recent efforts by the Federal Government are solving this problem. For example, in 1992, when the Department of Labor released its report on the status of the glass ceiling issue, the Equal Employment Opportunity Commission, the EEOC, had only filed 2 gender lawsuits under the Equal Employment Act, down from 6 the year before, and 79 in 1980. This sends a message, I believe, to employers that accountability doesn't exist or that it just doesn't count.

Symbolism is important, yet the Federal Government, the Nation's largest employer, is providing no example to the private sector. Although women hold nearly half of the Government's white collar jobs, relatively few have gained access to executive and supervisory jobs. Only one in four Federal supervisors is female and women account for approximately 1 in 10—1 in 10, that is a very poor record—of senior Federal executives, according to a survey by the U.S. Merit Systems Protection Board. The report attributed much of the imbalance to unfounded stereotypes and assumptions.

These stereotypes are pervasive. When the National Academy of Sciences held its annual meeting last year, its reception for spouses was designated as a reception for wives and the invitations were printed on pink stationery. The National Science Foundation chose to celebrate Women's History Month by inviting a retail chain to show women how to accessorize. Worse yet, recipients of the National Academy of Science's Medal of Service Award, the highest achievement in science, received a tie clip.

Unfortunately, because attitudes toward women are so ingrained and pervasive, the answers are not always easy. So, Mr. Chairman, your committee has a daunting task, and we all recognize that.

The 1992 Labor Department report acknowledged that the, quote, "challenge to shatter the glass ceiling takes far more time and effort than even the strongest of commitments can produce in a year." This is especially true in male-dominated fields such as high-technology and science.

As you all know, I represent Silicon Valley. I am not going to go through the rest of my testimony on that issue, but I did step away from chairing a very important subcommittee hearing this morning on high definition TV, HDTV. I brought with me the witness list of distinguished panelists, both from the first and second panels from across our Nation. The entire hearing room was filled with men. There is not one woman represented in that entire area of science from across this country, from companies both small and large. The lack of female representation there, to me, more than anything else, underscores what you are trying to tackle here this morning.

My distinguished colleague from Hawaii gave extraordinary testimony, and she has battled this issue for many years. I leaned over and said to her that businesswomen have fled to small businesses because this situation exists. It is an important place—I am the daughter of a small businessman. Yet, we need to look at the reality of why women have left Corporate America and gone into small businesses. I think it is because they had to. We need to do more.

What would I suggest to this committee? It is a difficult issue to address. I think that we need to start with ourselves, Mr. Chairman. This Federal Government, we who are in charge of it, need to look at every Federal agency. What are the job descriptions; what are the networking systems that are set up or discouraged; why is it that we only are where we are?

Congress has been accused of many things—maybe everything—but I think that one of the things that we need to take to heart is that when we go out to others and point to their putting their own house in order, that we start with ourselves. We should be a model for both small businesses and other businesses in this country.

I think job descriptions need to be examined. What is the model job description that would leave out the attitudinal things that are brought to bear relative to women?

So, I think that those are some of the things that I would suggest. I look forward to the committee's conclusions.

I have abbreviated my remarks and ask that all of my testimony be entered into the record.

I thank you again for your important leadership. Each one of you on this committee have human beings in this country who don't know what your names are, they don't know that we are meeting here this morning, but they are counting on each one of us to help make the difference.

I want to thank you for that leadership and know that I will work with you in any way, shape, or form to help make advances in this critical area so that we can make use of, in the best sense of the word "use," all of our citizens, so that women and minorities are not left out.

Thank you very, very much.

[Ms. Eshoo's statement may be found in the appendix.]

Chairman LAFALCE. Well, thank you very much.

Ms. ESHOO. Thank you.

Chairman LAFALCE. Our committee, over the years, has attempted to give special attention to the problems and the potential of women in business.

When I became chairman of the committee in 1987, I met with representatives from women's business organizations, and we decided that we would embark on a study of their special problems and potential. We did. We had well over half a dozen hearings, and we issued a report on both the problems and potential. Then we pursued, with considerable vigor, a number of legislative initiatives.

We pursued a bill which the Women's Caucus had tried to get enacted for a dozen years unsuccessfully, and we were able to be successful in that. It eliminated discrimination for credit, not just consumer credit but business credit, too, and we created some demonstration management programs because we thought management programs were so necessary.

We also created a National Women's Business Council, and that still exists and still does work. We recognize that there is no special committee for the problems and potential of women, so we have sort of tried to fill that niche, and asked the Department of Labor, which issued the glass ceiling report, to report on it before this committee.

Well, somebody needed to do it, so I said we had better do it, otherwise it might not get done. So, we have tried to use the committee for that purpose, to give attention to it, focus on it, and in an effort to see if there is anything we could do legislatively in addition to continuing to bring attention to this issue. Very often, that is what you need more than anything else, to bring attention to a problem, and then you can take steps to help solve those problems, too.

Are there any questions any members of the panel have of either Congresswoman Mink or Congresswoman Eshoo?

If that is the case, I will thank both our distinguished witnesses, and because we have a vote, I think we will recess for about 15 minutes so that we can get over and come back and try to reconvene at 11:00 o'clock. We will then hear from the remainder of our witnesses.

Thank you very much.

[Recess.]

Chairman LAFALCE. The committee will resume its hearing.

When we left, we had heard from the two Congresswomen, and now we will hear from the panelists. Our first witness will be Ms. Joyce D. Miller, the executive director of the Glass Ceiling Commission. Ms. Miller was tapped by Bob Reich for the position as executive director of the Glass Ceiling Commission from a position she formerly held in the AFL-CIO.

Ms. Miller was herself a breaker of glass ceiling barriers. She was the first woman elected to the AFL-CIO executive council, and she headed the Federation's Committee on Social Security. She was the vice president and director of social services for the Amalgamated Clothing and Textile Workers Union in New York City prior to that.

Ms. Miller, we are delighted to have you.

TESTIMONY OF JOYCE MILLER, EXECUTIVE DIRECTOR, GLASS
CEILING COMMISSION, U.S. DEPARTMENT OF LABOR

Ms. MILLER. Mr. Chairman and members of the committee, good morning. I cannot tell you how pleased I am to be here to testify before your distinguished committee.

Mr. Chairman, I had a chance to read your paper while I was sitting in the audience, and I could not agree with it more. I also agree with all the statements that have been made by the congressional people who have spoken so far.

Certainly, on behalf of the Department of Labor, we welcome the Small Business Committee's concern about the glass ceiling. I have submitted written testimony, but I am not going to read it. I am just going to speak from some notes, and I will try to be very brief.

Chairman LAFALCE. If there are no objections, we will put the entirety of your prepared statement in the record as if it were read.

Ms. MILLER. Thank you.

On March 24, 1986, an article, referred to before, was written in The Wall Street Journal that used the phrase "glass ceiling." I certainly, in the spirit of bipartisanship, want to give credit to Secretary Elizabeth Dole who, in my judgment, was the first person to coin that phrase, and I also want to give credit to Senator Robert Dole, who introduced the legislation that created the Glass Ceiling Commission. I am quite aware of that and give credit to both.

The Wall Street Journal article emphasized midlevel and upper level management, but it also described female entrepreneurship and described several women who had left corporate management to start their own business. I know this is true of men as well as women, who will hit a glass ceiling in a company, they cannot go further, they get discouraged, they leave, and go out and form their own business.

I would point out, certainly to employers, of what a loss this is to them, to lose this experience and talent and that I don't think the answer, as was said before, is people in a company hitting a glass ceiling, going out and starting their own company. I think that it is a great loss to any company.

As executive director of the Glass Ceiling Commission, and certainly speaking for the Chair of the Commission, who is Robert Reich, our Secretary of Labor, we hope to take the lead at the Department of Labor to shatter the glass ceiling so that women and minorities are in no way restricted in their career choices that do not measure up to their abilities and to their dreams.

In 1991, the Office of Federal Contract Compliance Programs of the Department of Labor began its glass ceiling review and found that the barriers—I think Congresswoman Mink said it, some others also referred to it—that the barriers to the advancement of women and minorities begin at a much lower level than the executive suite. Therefore, we will be looking beyond the artificial barriers in the executive suite, as important as that is, to look at women at the upper levels of management, but we also want to look at the barriers that exist below it.

We are particularly concerned about those women and minorities who have their feet stuck in the mud, as I call it, of dead-end, low-

status, low-wage, jobs, because this hurts not only individuals but the American society as a whole.

We hope to bring these issues to the attention of American business so that salaries and opportunities are more equitable. It is not only professionals and managers who are victimized and scarred by artificial barriers to advancement, but these barriers deprive all women and minorities, blue collar, white collar, skilled and unskilled, of role models, mentors, and avenues of mobility which could lead them to a better future.

President Clinton and Labor Secretary Reich have spoken about the need to promote diversity in the work force, but not at the expense of excellence. Too often, women and minorities are steered into dead-end jobs using a rationale that these workers have insufficient or inappropriate skills. Therefore, the Glass Ceiling Commission will also study apprenticeship programs to see how we can get women and minorities into the pipelines which can lend to better paying jobs.

These efforts will also make our work relevant to those women and minorities whose goals are not to occupy the highest levels and positions, but they still want to make progress within the work force and rise to a higher place than where they are.

According to the National Association of Women Business Owners, only 18 percent of its members have revenue over \$1 million, and 56 percent have revenues under \$250,000 a year. About half of their members are full corporations, not partnerships and sole proprietorships, which are more typical of women-owned businesses.

Mr. Chairman and members of this committee, in fact to everyone who is here this morning, I issue an invitation, tomorrow from 10:00 to 4:00 the Glass Ceiling Commission will be holding its first meeting. This will be at the Department of Labor. At that meeting, priorities and the agenda for the next year's work will be formulated.

We hope to have hearings around the country, and it is hoped that chief executive officers of companies will come and testify, not only about their problems, but really about their successes in eliminating the invisible barriers that keep women and minorities from advancing in the workplace. We need successful models to share with Corporate America and especially with small business owners who may not have access to the information and the research that is available to larger corporations.

In closing, let me say that the time has come to dismantle the glass ceiling and to ensure true diversity in the work force at all levels. Improving diversity, in our opinion, is a benefit to all employers. It is women and minorities, we have already heard, who are going to make up 60 percent of the work force by the year 2000, and we hope through the work of the Glass Ceiling Commission, the skills, talents, and abilities of all Americans will be treated as assets in our economy and are fully valued in the workplace. In our judgment, it is just good business.

I look forward, Mr. Chairman, on working with this committee on our common concerns for the American worker. Thank you.

[Ms. Miller's statement may be found in the appendix.]

Chairman LAFALCE. Thank you very much, Ms. Miller.

Our next witness will be Ms. Nikki Brown, the president and CEO of the Wilton Bank, Wilton, Connecticut.

Ms. Brown was identified as a CEO who actively promotes women employees, encourages their advancement, and she recently won the prestigious Race to the Top Award from Bridgestone Tires. Ms. Brown.

**TESTIMONY OF NIKKI BROWN, PRESIDENT AND CHIEF
EXECUTIVE OFFICER, THE WILTON BANK**

Ms. BROWN. Good morning, Mr. Chairman and members of the committee. I appreciate the opportunity to appear before the committee as you examine this very important subject of the glass ceiling. The committee is obviously concerned about the interests of small businesses, and, as president of the Wilton Chamber of Commerce, I certainly share these concerns. My message to the committee is that it is in the best interest of all businesses to eliminate practices that deny women the opportunity for professional advancement.

By way of background, the Wilton Bank is a profitable and successful community bank, dedicated to serving small businesses and individuals. Our success has been achieved in large part through our commitment to hiring the best possible person for each and every job. Our work force of almost 15 full-time employees is predominantly female, which is not unusual in the banking industry. What sets us apart, however, is that men do not dominate the top-ranking positions in our bank. Of our five bank officers, four are women, including myself.

Compare this to the financial services industry nationwide, where only 2 percent of top officials are women. In fact, the balance of our bank is so unique that I am often asked whether the Wilton Bank is a women's bank, although I can't imagine someone assuming that a bank is a men's bank simply because it is run by a male CEO.

As I mentioned before, we set out to hire the best possible candidates for every job and not to be a women's bank. I think we ended up with significant female representation in our management for two main reasons: First, there are demographics. Women make up a larger percentage of the banking work force, so there is a bigger pool of applicants among women. Actually, considering the demographics, it is amazing that there are so few banks in which women have achieved top management positions. It is simply good business sense to cast the widest net in searching for the most talented candidates.

The second reason why so many of my top employees are women is their work ethic. I have found that most successful women have gotten where they are by working harder and developing more advanced technical and leadership skills than their male counterparts. I know from my own experience in a large bank that I had to work harder than my male colleagues to prove myself.

Now, I am not here to promote reverse discrimination. I should point out, for example, both our senior lender and loan review manager are men. The message I do want to send, however, is that too many businesses have shut women out of the top positions, de-

priving the companies of the benefit of their special strengths and skills.

I know that some businesses, particularly larger companies, have official company policies in favor of equal opportunities. Having an official policy is not enough, however, if it fails to achieve the desired results. There can be cultural forces within the companies that serve as barriers to the advancement of women—good old boy networks that promote men who belong to the right clubs or who went to the right schools—or there can be lower ranking male managers who feel threatened by the advancement of women and who serve as roadblocks to the promotion of their female subordinates, regardless of the official company position.

I would recommend that all businesses analyze their management practices from top to bottom to ensure that women are being given the opportunity to advance. While I am not advocating quotas, I would note that if CEO's—particularly in the financial services industry—do not see at least an equal number of men and women in their top management ranks then there may be a problem. While in some industries the claim is made that women have not been in the pipeline long enough to earn the top positions, women have all but dominated the senior levels of banking for decades.

I would also advise banking officials to recognize that their women employees are important resources, and they should be groomed to attain higher levels within the organization. Attention should be paid to their training, both through formal education and informal support and mentoring. Companies should support their employees' participation in professional organizations such as Financial Women International, an association dedicated to empowering women in the financial services industry to attain professional and economic goals. Through leadership skills with FWI, I developed leadership and communication skills and knowledge of the industry which have proven invaluable to my job and to my bank.

In short, the Wilton Bank's policy of hiring the best candidates and providing them with continued professional support has given us an important edge, allowing us to turn a profit in a competitive industry that has experienced hard times of late, particularly in our region of the country.

In closing, I want to add it is not only the companies and CEO's that have responsibilities to break down barriers to the advancement of women. Every woman who wants to move up the ladder of professional success needs to take it upon herself to get the training and education to qualify herself for the next rung of the ladder.

In those cases where it seems impossible to change a company from within, women might want to assess whether it is better to strike out on their own, as I and so many other entrepreneurs have done. Down the road, they might even have the satisfaction of being in the position of leading a business with no ceilings at all—only opportunities.

Thank you, Mr. Chairman.

[Ms. Brown's statement may be found in the appendix.]

Chairman LAFALCE. Thank you very much, Ms. Brown.

Our next witness will be Dr. Emma Chappell, the founder and chairperson of the United Bank of Philadelphia.

Dr. Chappell hit the glass ceiling at her bank in 1979 and then for 14 years watched as others around her, including men whom she had trained, were promoted. She raised the money to start her own bank and in 1 year's time it has gone from \$6 million in deposits to \$26 million in deposits.

Dr. Chappell.

TESTIMONY OF EMMA C. CHAPPELL, FOUNDER, CHAIRMAN, AND CHIEF EXECUTIVE OFFICER, UNITED BANK OF PHILADELPHIA

Dr. CHAPPELL. Thank you and good morning, Chair LaFalce and members of the committee. I am Dr. Emma Chappell, and I am founder, chairman, and chief executive officer of the United Bank of Philadelphia, the first black-controlled, full-service, commercial bank in Philadelphia, and the only such bank in Pennsylvania.

As one who has experienced the glass ceiling firsthand, as it affects both women and minorities, I commend the committee for calling attention to this continuing problem.

I have been in the banking industry for over 30 years—since I graduated from high school. I started out as a clerk making \$45 a week. After 17 years, I was named vice president of a major bank. The promotions never came easily. Every one of them took hard work, education, professional training, and a great deal of perseverance. Until I reached the vice presidential level, I always thought that with enough effort and determination, I would be able to get ahead, but that is when I ran directly into the glass ceiling.

I recognize that being named a vice president is considered an impressive professional achievement. I have always believed that I have the qualifications and the drive to achieve more.

I took every step possible to reach the next level, senior vice president. I went to graduate school, since I was told that maybe then I would be promoted, but that was not enough. I went through executive training, because I was told that would bring the promotion. Again, that was not enough. I would clear one hurdle, and then another hurdle would be thrown up to block my path. I offered to move laterally, thinking that would give me the experience needed. The bank wasn't interested. Instead, I was given a small raise, a pat on the head, and sent back to my old office.

I remained vice president for 15 years; 15 years. The company knew my talents and strengths. They used me to train many men who did not have my knowledge or expertise and promoted them over me. Once again, I faced the glass ceiling. I remained a vice president of the company.

In the early 1980's, the women's movement appeared to have some impact on banks. These were the times the power structure, while being aware of the need to recognize women, used the divide and conquer tactic on aspiring women executives. They promoted a woman from outside of our department to the position of senior vice president. This, of course, created friction among the women, illustrating the divide and conquer tactic.

After using this other woman to block me, they got rid of her anyway—another glass ceiling maneuver.

I was not content to remain in this situation, knowing I was being passed over simply because I am a black woman. Instead, I decided to step out on my own, with no one to tell me that I have gone far enough or achieved enough success for his own comfort.

During my career, I had been very active in the community, both politically and through volunteer work. That gave me a large network from which to seek support. Furthermore, through my business and community activities, I learned that countless other women and minorities were being shut out of society in many ways. Besides lacking meaningful opportunities for career advancement, many also lacked adequate access to capital and even basic financial services. That was where I knew I could make a contribution.

I decided to establish a bank dedicated specifically to meeting the financial needs of minorities and women. We raised \$6 million and founded United Bank of Philadelphia in 1992. Three thousand shareholders capitalized this bank, putting their money on the line, and believing with me that there is a special market that must be served. In 1 year's time, as you have already reported, we have 9,000 customers and \$26 million in assets. Not incidentally, all of our top officers are women, and they are black, white, and Hispanic.

We are providing a valuable service to the community, while giving women and minorities tremendous opportunities for professional advancement. I have refused to allow artificial barriers—either formal or informal—to keep down women and minorities in my organization. This has been one of the reasons for our tremendous success after being in operation for only a short time.

The moral of my story is that women and minorities are not content with the status quo, if it means second-class status in their workplaces. We must work to foster environments that are supportive of the advancement of all individuals, based on merit, not on their sex or the color of their skin. Not only would this ensure that every person is treated with the dignity he or she rightly deserves, it would enable every company to take full advantage of the rich pool of talent that is available.

For too long, I lived with a work environment that was openly hostile to helping a black woman get ahead. In this day and age, that should be recognized as unacceptable. This is the time and the place for us to work together to break down these barriers and these stereotypes. America must take full advantage of all of its untapped resources.

I am a pioneer as a black woman rising up through the ranks of the prestigious financial services industry. I have experienced a great deal of pain along that journey. I can only hope that, through my struggles, I have served as a role model for not only my two daughters but many of the young women our bank is encouraging and teaching how to manage money, and how to invest in themselves and their futures by savings, education, and training.

Let us make the American dream a reality and shatter the glass ceiling.

Thank you very much for the opportunity to share my thoughts with you.

[Dr. Chappell's statement may be found in the appendix.]

Chairman LAFALCE. Thank you very much, Dr. Chappell.

Our next witness will be Ms. Emily-May Richards, president of the Richards Group.

Ms. Richards hit the glass ceiling in banking and left that field to start her own accounting firm. She employs women and actively encourages their advancement.

**TESTIMONY OF EMILY-MAY RICHARDS, PRESIDENT, THE
RICHARDS GROUP, P.C.**

Ms. RICHARDS. Good morning Mr. Chairman and members of the committee.

My name is Emily-May Richards. I am president of the Richards Group, P.C., in Atlanta, Georgia, and also an active member of Financial Women International and have served that organization in numerous capacities, including its president. I come before you now to share my thoughts and my unique perspective, both as an employee and as an employer, on the glass ceiling.

When I admitted that I had reached the glass ceiling in the bank holding company where I had served for 14 years, I resigned to set up my own business, a certified public accounting firm. The hallmark of my public accounting practice is this: I am committed to providing a flexible work environment, with a focus on promoting the strengths of each of my employees, five out of six of whom are women.

It was not a conscious goal to employ a disproportionate number of women, but the part-time arrangements and flexible hours have been a benefit in attracting highly qualified female accountants, three of whom also had left the banking industry.

Unfortunately, an awareness of the value of women in upper management has not been widespread in the financial services industry in particular or in American business in general. In 1992, there were nearly 2 million employees in banking, 70.6 percent of whom were women according to the January Department of Labor employment and earnings report. Yet, U.S. Banker reported last fall that less than 1 percent of the CEO's at the top 500 American banks were women. In the 100 largest commercial banking companies, only 4 percent of the officers were women.

The formal statement submitted to this committee contains other convincing statistics which point to the inability of women to break through the glass ceiling. For the sake of time, I will not repeat those numbers, but let's instead move on to potential solutions to the problem.

First, education is still and always is the best means of breaking down artificial barriers of changing behaviors once based on stereotypical thinking. For example, a myth exists, and it is perpetuated daily, that women cannot be committed employees and effective mothers, and yet, we have seen case after case of women who have successfully taken on the challenge of both roles.

We also need greater education about the existence of the glass ceiling. A 1990 Financial Women International study found that 73 percent of the industries' CEO's surveyed said there was no glass ceiling for women and minorities, yet 71 percent of the women polled reported that a glass ceiling did indeed exist in the industry.

I would think that the only evidence CEO's would need regarding the existence of the glass ceiling could be found by simply looking at the demographics in their own executive suites.

Second, part of the solution is also training. Businesses can more easily promote from within if they establish meaningful training programs for their employees. A company fosters pride among all its female employees whenever a woman is legitimately promoted to a position of authority.

Training can also help avoid job discrimination. For example, a male manager may not consider a qualified woman for promotion simply because of her sex. This subtle, often covert, behavior on the part of males needs to be addressed as part of every corporation's training program.

We also must expand the informal system of business mentors to include apprenticeship training in the corporate workplace. That creative process needs to allow male managers to serve as mentors to women who will themselves become managers and, thus, mentors to other men and women.

The burden of change is not entirely on the shoulders of the employer. It is imperative that workers make their wishes for advancement known to their employers, but it is also imperative that those employers provide a regular forum for them to do so. This rule applies equally to men and women.

Clearly stated goals help to break down assumptions, often erroneous, on the part of management and facilitate a dialog between managers and employees about what skills and what training is needed for the employee to advance to the next level of responsibility.

Third, successful businesses are often those that have recognized and adjusted to the multiple commitments of their workers. Each of us have goals in the areas of work, family, and education. If our employers acknowledge those goals and encourage our success in each of those areas, the workplace reflects a high level of morale, productivity, and quality among the workers.

Fourth, companies need to adopt official policies in support of equal employment opportunities. Those same firms should then hold accountable all top executives and managers for meaningful results and progress toward those guidelines. Managers need specific training in the identification and development of future talent and should be rewarded for excelling in that aspect of personnel development.

Fifth, all businesses can change our national consciousness by publicizing success stories, and those newsworthy items include two categories. The first deals with the individual successes of women in business, science, the arts, and sports. The second acknowledges companies, schools, universities, teams, or Governments that have in ways, large and small, found creative solutions to the elimination of the glass ceiling.

Much has been discussed recently about family values, and the concerns about values are well directed and well intended, but let us not, in thinking about the glass ceiling, forget the concept of individual fulfillment and individual responsibility.

Each of us has been given gifts, and we seek avenues of advancement where we can feel a sense of competence, where we can make

a contribution, and where we can be justly rewarded for our accomplishments.

I and others who have worked on this issue would just like to see women have an equal chance to advance their careers and contribute their talents at the highest level of business. I welcome any assistance the committee can provide in helping us reach our goal of breaking down the glass ceiling for women in every industry.

Thank you.

[Ms. Richards' statement may be found in the appendix.]

Chairman LAFALCE. I would like to call on Mrs. Meyers to make a comment about our next two witnesses.

Mrs. MEYERS. Well, we are very pleased to have Karetta B. Hubbard with us today of the firm of Hubbard & Revo-Cohen. We have heard a lot about the problem thus far, and Ms. Hubbard is in the business of human resources that is trying to do something about this, and she will tell us today a little bit about some of her techniques.

Chairman LAFALCE. Thank you. We have with us two representatives from the Hubbard & Revo-Cohen firm, Ms. Karetta Hubbard, whom you have just introduced, but also Ms. Lynne Revo-Cohen, who happens to be from Kenmore, New York.

Mrs. MEYERS. That is important.

Chairman LAFALCE. That is very important.

So, I would like to ask Ms. Hubbard and Ms. Revo-Cohen to split their time in presenting their testimony as they see fit and in any manner they wish. Please proceed.

TESTIMONY OF KARETTA HUBBARD, PRINCIPAL, HUBBARD & REVO-COHEN, INC.

Ms. HUBBARD. Mr. Chairman and Mrs. Meyers, thank you very much for the opportunity to present an overview on glass ceiling issues.

As you mentioned, we are a human resources consulting firm that specializes in gender and race issues in the workplace, so, we do a range of consulting on every aspect that has to do with changing demographics. We help companies design compensation technologies, we help them do strategic planning around these issues, we help them design training programs, mentoring programs, and we also do glass ceiling assessments.

What we would like to talk about today is really a way to frame the glass ceiling issues and to look at the glass ceiling from perhaps another perspective than what has been addressed here today.

We are looking at the social facets and putting this in the context of what is happening with the number of women and the different cultures that are moving into the workplace and that is resulting in the glass ceiling issues. So, we have seven points that we would like to briefly define.

If we turn back the clock we would see, let's say in 1950, a whole different shape of the work force. If you look at the triangle shape that would represent a diagram of a particular organization, the professionals in the apex of that triangle would be white males. If women and minorities were in the work force, they would be in a support position.

If we fast forward and look at the 1980's and the 1990's, we can see in that triangle that women and minorities have moved into many, many top level positions within specific companies. Mostly they top out at midlevel management, and above that area what you have are still the white males. So, with the advent of women and minorities, what we know is happening is a values shift that is taking place; that old value of the way work was conducted back in the 1950's is not working anymore.

So, we are looking at the different groups, the minority groups, women, and all the different races, as entities in and of themselves, trying to integrate into the majority of the white male culture. What is happening in the middle of this value shift, and the reason we know the shift is taking place, is that there are a lot of conflicts. Sexual harassment is an example of that conflict; racial harassment is an example; and white male backlash. So, we now are in the middle of a dramatic change in the way the workplace is shaping itself.

What is happening is that a lot of organizations don't know what to do. We see them along a continuum. Some organizations know they have an issue, know they have a glass ceiling problem, and they are starting to address it. Others know that they have issues, and they know they have problems, but they have absolutely no idea what to do about these issues. Frankly, they would like to turn the clock back to 1950, and that would be very comfortable for them.

Then there is a larger group that know that something is happening out there, there is a change, and they can see it when they walk into the office, but they have not really even started to think these are glass ceiling issues or these are barriers that are present that are keeping women and minorities from moving up in the system.

So, the glass ceiling, when it does occur in a specific organization is a structure, like a grade level that women have reached or minorities have reached, where they are concentrated at a certain level and simply one or two have filtered into the top but not many more. It is an indication that there are now barriers within that organization that need to be addressed and those barriers need to be broken down so that those different minority groups that I talked about that are now in the majority culture and can start to integrate in a way that will allow them to move through the system.

What we are noticing in terms of the barriers, and especially the barriers that focus on women, is that the barriers represent themselves in ways that can be identified. Stereotyping, one thing that has already been mentioned here; for women, lack of work family policies are a dramatic issue. We are finding that women say back to us things like, "My child is sick, and I know that if I call in and say my child is sick that somehow I will feel like the environment is not supportive of me, so what I will say is my car is broken." So, the workplace is much more accepting of a broken car rather than a broken kid. That is a barrier around work and family policies.

The stereotyping issue around what women and minorities can do and what they really cannot do plays itself out over and over again in how assignments are made in a lot of organizations. Get-

ting the right assignments gets you visibility, and if you have visibility and get a good job, you get promoted and get on a fast track.

If women have small children, generally if it is a male supervisor, he will make the assumption "This woman has small children at home, therefore, she cannot really take that assignment; there is travel involved. So, I will not even offer this to her. I will offer it to John over here because John, I know, can travel."

So, understanding that he is using a stereotype and not even including her in the conversation, to say this is a great assignment, you have the capability to do it, can you do it, and let her make her decision about whether she can or cannot handle the family issue as well as handle the work issue at the same time is really very important.

Women are still having to walk this corridor of being not too aggressive, yet they have to be assertive enough so that they can be heard, and be part of what is going on in meetings, and make themselves known so that they can then get the next right assignment as well. So, lots of role expectations are going on, and these are the barriers that we are really beginning to identify that we can break down in meaningful ways.

What we recommend with our clients who are engaged in defining what the barriers are within their organizations is to do a strategic plan. What we know in this arena is that this change, this shift that is taking place of women and different cultures moving into the work force, is going to be a 15-year shift. We are changing attitudes and behaviors in a dramatic way that has never ever occurred in history, and so to absorb the differences that occur with different cultures and the barriers that each culture brings even within the workplace setting is something that needs to be thought of in a generational span.

We recommend our clients really think about this as a strategic plan, and they design a strategic plan of how they want to identify the barriers and break them down over a 3- to 5-year period.

We are called a lot to come in because an issue has evolved or arisen in a company, and the CEO will say, "Please, do a 2-day training program on diversity, and sprinkle magic dust, and make the issue go away." Well, we can come and do a 2-day training program, and we can sprinkle a little tiny bit of magic dust, but the issues will not go away. The issues are there because a minority group is trying to operate in a majority culture, and the majority culture does not read the cues of the minority culture, and the minority group doesn't read the cues of the majority culture. So, it really does take a long time to even identify what those cues are and to start to discuss them in a way that training programs can work, and mentoring programs can work, and other kinds of things can start to happen to break down these glass ceiling barriers.

The strategic plan also needs to require companies to look at systemic issues. They need to look at compensation policies to see if they have pay equity issues. They need to look at their performance review criteria to see if it is really gender biased or if it is culturally biased against different cultures within the organization. They need to look at retention and their recruitment initiatives.

For example, if you have 10 people who are applying for a specific position inside your company, 9 of them are men and 1 is a

woman, then those men have a 9 to 1 chance of getting that position. It is the same thing with promotion. You need to take a look at what your promotion requirements are and who is available in your promotion or your feeder groups.

If you can have companies develop a strategic plan and work really in a logical way to identify the barriers in that specific culture and use everyone to work at breaking down those barriers, you will have an entire work force that will start to participate in shaping the new value.

We really don't know what the new values are going to look like in corporations today. We are all in the middle of the values shift. We are all in a place where we know it is uncomfortable. Every single group is uncomfortable. White males are just as uncomfortable as the other groups are in an organization. We have white male clients coming to us all the time and they say, "I walk into a room and the women in the room are all staring at me, and I know they want something from me, but I don't know what they want."

So, what we try to do is to get them in a dialog; get them to say, OK, how can you sit down and start to say, "is there an expectation here I am not meeting that we can have a discussion about?" So, if you can manage your strategy or your strategic plan in a way that includes the entire population, everyone can be responsible for reshaping what the new value could be.

It could be alternative work schedules, like you just described. It may mean your work force will not be there from 9 to 5 anymore. It may mean you will have workers who stay at home. It may mean you have part-time jobs, job sharing. All these things are available today, but you make it really acceptable in a climate so that you can balance the different cultures, and you can balance work and family as well.

Finally, what we would recommend as a policy initiative is that the Federal Government really should get its house in order, as someone has already mentioned here this morning, and that all the agencies do their own glass ceiling assessments, and that they design implementation plans around the barriers they discover, agency by agency. They may be different department from department.

The second thing is that Federal Government contractors who are working with the Government also should conduct glass ceiling assessments so that they can work with the Federal Government along those same lines as affirmative action programs work now. Thank you.

[Ms. Hubbard's statement may be found in the appendix.]

Chairman LAFALCE. Thank you Ms. Hubbard.

Ms. Revo-Cohen, do you wish to add anything to that?

TESTIMONY OF LYNNE REVO-COHEN, PRINCIPAL, HUBBARD & REVO-COHEN, INC.

Ms. REVO-COHEN. I hear the buzzer, Mr. Chairman, so I will be very, very brief.

Thank you for inviting me to join my partner today and to join the rest of our panel. I very much appreciate this opportunity.

Perhaps I can be very brief by just making an informal comment.

Chairman LAFALCE. Tell us a bit about your background, first. You are a graduate of Kenmore West?

Ms. REVO-COHEN. I am a graduate of Kenmore West High School, yes, sir; State University of New York at Buffalo.

There is nothing like being from Buffalo that ties people together. It is stronger than blood.

Chairman LAFALCE. That is right.

Ms. REVO-COHEN. What I wanted to do, to add to the very eloquent statements that have been made, is to perhaps just say something informal with the purpose of being a little provocative. I hope I am not speaking out of school to talk about some of the things that we learn from our clients.

My goal is to get people to give some serious thought to what really happens from their own point of view when we talk about the glass ceiling issue. What we talk about are invisible barriers, and the barriers are invisible not only to the employees and to the women and people of color that have been the focus of our discussion, they are also invisible to the managers that we are accusing of promulgating these barriers.

Chairman LAFALCE. I think the statistics that were cited earlier point that out where 73 percent of the managers didn't think there was a problem and 71 percent of the workers thought there was a problem.

Ms. REVO-COHEN. Typically, they are clueless, to be frank.

It is interesting. If you ask a well-meaning CEO, "Do they discriminate in their company?", 9 out of 10 times they will say to us, "Absolutely not; we treat everybody the same; if you work hard, you play by the rules, you will get promoted just like anybody else; we don't allow it; and we don't allow discrimination."

If you turn around and you ask the women and the people of color the same exact question, they will roll their eyes and say, "Every day in every way, there is no doubt about it; there is discrimination in this place."

Now, we may have policies and procedures that are neutral on their face, but if you look around at patterns of behavior and you see who gets promoted, as Karetta said, you see who gets the key assignments, you see who gets the feedback on their performance, and you see who gets the perks, who gets invited to lunch with the boss, who gets invited to play golf or tennis or whatever, and it is not the women. It is not the people of color.

So, somewhere, somehow there is a major disconnect between the perceptions held by the employers and the perceptions held by the employees about what is really going on inside the same company. The source of this disconnect really is what a glass ceiling assessment or study is all about; getting to what is behind the disconnect and why do people see the very same situation in such different ways. This is what happens in the glass ceiling work that we do.

I would just add to the chorus of our panel in saying that anything that this committee can do to encourage companies, the Federal Government, and Federal contractors to take on a glass ceiling assessment, to really understand this issue in a way that can be really helpful, we would certainly encourage.

I would also like to add on a positive note, Congresswoman Eshoo mentioned before that we have very little to be happy about 30 years after the passage of the Equal Pay Act, and I think she is right if we look at sheer statistics.

On the other hand, I would like to reflect that 10 years ago I was a lobbyist in this town, and I used to appear on a lot of panels like this and very, very rarely was there a female on the committee that I would be speaking to. Even more rarely would there be a minority person on the panel, and almost never would that person be the chairperson. Almost never, if the chairperson were a male would he consider holding a hearing like this. So, I just want to take that as an opportunity to see the glass is half full, and to see that we have come a long way in 10 years, and I applaud the efforts of the committee for holding this hearing. Thank you.

Chairman LAFALCE. Thank you very much. The bells have rung. We have about 10 minutes to get over for a vote. Let me ask a few brief questions.

Ms. Miller, I think the legislation requires the report be submitted to the President by early 1993, and we have had a transition, a new administration come in. What is the status of that report?

Ms. MILLER. The commission that is in place, the commissioners are all the same, but the staff has changed. That report was never done. They did notify that they were not going to have it done. Obviously, with the change in administration, there will be some delay. I just came on. I started May 3, so we will do the best we can. We will not have anything ready I would doubt by January 1994.

Chairman LAFALCE. Why don't you just briefly flesh out what your plans are. What will the future activity of the Glass Ceiling Commission be?

Ms. MILLER. Oh.

Chairman LAFALCE. Your agenda for the future.

Ms. MILLER. Absolutely. As I said, we have our first meeting tomorrow with the commissioners, who will have the final word on what we are doing. So, what I am telling you this morning is from me, that the commission itself has to approve, which will be an agreement, Mr. Chairman, on the mission statement.

After tomorrow we will be setting up a series of hearings around the country. We plan to hold hearings in five cities, have them structured with people coming and testifying. We certainly want to have research, and again it will be with the commissioners agreeing to research done that we can publish, again following with the two earlier reports.

I am not sure that I can tell you beyond holding hearings. Our final goal, as you know, is to issue a report with recommendations to the Congress and to the President.

Chairman LAFALCE. Well, last August, and I know this was a prior executive director and a prior commission and administration, but the Department of Labor did indicate their intent to disseminate materials on the glass ceiling and to establish a network to assist women in shattering the glass ceiling. Do you know if anything was done along those lines?

Ms. MILLER. No; there are two reports, "Pipelines to Progress" and "Glass Ceiling Initiative," and that is it.

Chairman LAFALCE. I see.

Ms. MILLER. They did not have anything else.

Chairman LAFALCE. I don't believe you have shared with us your draft mission statement, but once it is finalized by the commission, whatever this mission is, I would like to receive a copy of it.

Ms. MILLER. I have a copy in my purse, but I would prefer to wait until the commissioners agree on it tomorrow.

Chairman LAFALCE. I think that is wise.

Well, I have a few more questions, but let me call on Mrs. Meyers for any questions she may have.

Mrs. MEYERS. Ms. Hubbard, and I am sorry I neglected you, Ms. Revo-Cohen, I didn't know you would be testifying also today, and we are just very, very pleased to have you here.

Ms. HUBBARD. You didn't know she was from Buffalo.

Mrs. MEYERS. Yes; that is it. I am glad you are both here.

I think that the concept is, and I am not even sure that this is accurate, that women tend to have different management styles from men. I tend to think that is probably true.

Could you comment on your observations on this subject and is that a plus or a minus? Is that something that CEO's tend to think of, well, she cannot handle that because the management style is different, whereas actually, if they were in that position, maybe it would be the most effective management style they have ever had. So, would you comment on that?

Ms. HUBBARD. Of course. When we do a glass ceiling assessment, one of the first things we do is to do an analysis of the characteristics of success in an organization, and what we call it is model of success. It is an interview with all the top senior people to find out exactly what it is that got them to where they are.

What we find is there are a lot of common denominators, and they are white male characteristics. They make decisions very quickly; they are moving energy; very fast; they interrupt a lot; they are demanding; they make decisions; they get things going; they meet their goals. It is very difficult for women, and I talked about this before, because they are still expected by this majority culture to not be too aggressive, to not be in that model.

However, when we do see women who have made it through that filter and up that corridor into the top, generally they have very similar characteristics. So, women who are not assertive in that way, and most women really are not, are the ones that get left out of that. They are not seen.

It also affects dramatically other cultures, because a lot of other cultures do not also execute their behavior in the same way. Men don't see that.

The other thing men do that is interesting is that their humor is different, and they use humor in the workplace. It is very competitive. It is one up, one down. Women are very serious about what they are doing. Some of the panelists have talked about that today, too. We are intense. We get our work done. We are serious about what we are going to do.

Sometimes that is confusing to men because they really bond by humor, and by humor that is competitive, and in some cases women find offensive because it is put-down humor. It is confusing to women, and it is confusing to men when they start to put

women down, and women get really hurt, and don't know how to take it. Or they figure out how to take it, and they give it back, and that is confusing to men because they are not used to having women give it back in the same way. So, those are excellent examples of how those barriers start to work.

Chairman LAFALCE. We only have about 3 minutes to cast our vote, but I want to thank you very much for your testimony today.

I think the very fact of the hearing was important because it is an indication that the Small Business Committee does consider the problems and potential of women in business extremely important; that we do consider the problem of the invisible glass ceiling very important; that we recognize there is a disconnect between the perceptions of top echelon management and those others in the work force; and that something needs to be done about that disconnect.

Many suggestions have been advanced. We will be monitoring the work of the Glass Ceiling Commission under its new Executive Director rather closely. We will be having you before us again, Ms. Miller, to hold your progress accountable.

Ms. MILLER. Good.

Chairman LAFALCE. We will also consider all the recommendations that have been made. Education about the existence of the glass ceiling, I think is very important. A number of recommendations have been made.

Ms. May Richards, you pointed out five in particular. We are going to take each recommendation from each one of you very seriously. We will be calling for assessments within the Federal agencies, either by legislative mandate or by persuading the chief executive or by presidential order to that effect.

Very often we can be role models, we being the Federal Government, the individuals in the Federal Government, and that can spread through the rest of society. So, I want you to know that I think this hearing has been a very important one and a very productive one, and I thank you for it.

Mrs. MEYERS. Thank you very much.

[Whereupon, at 12 p.m., the committee was adjourned, subject to the call of the Chair.]

APPENDIX

STATEMENT OF REP. JOHN J. LaFALCE, CHAIRMAN

COMMITTEE ON SMALL BUSINESS

HEARING ON THE "GLASS CEILING"

JUNE 24, 1993

Today the Committee on Small Business will be examining a problem that women and minorities have known about for as long as they have been in the work force, but which corporate and small business America has only come to acknowledge as a problem relatively recently: The Glass Ceiling.

As all of us here know, the glass ceiling refers to discriminating against an entire bloc of the labor pool, with no differentiation for individual ability and potential. As Ann Morrison says in her book Breaking the Glass Ceiling, "the glass ceiling applies to women as a group who are kept from advancing higher ***because they are women.***"

There are numerous statistics proving the dearth of women and minorities in senior management, in decision-making positions, and on corporate boards. One I would mention is a 1990 study done by the UCLA Graduate School of Management and Korn/Ferry International, a corporate recruiter, which found that over the past ten years, there has only been a slight increase in the number of women and minorities in the top executive positions of the country's 1000 largest corporations. From less than 3 percent in 1979, minorities and women were found to still hold less than 5 percent of top managerial positions by 1990.

Surely there has been progress; but just as surely that

progress has been too slow and remains grossly inadequate. Today, 45 percent of employed workers are women and about two-thirds of all new entrants in the workforce now through the year 2000 will be women. Companies can ill afford to ignore or alienate such a large and growing pool of potential employees in terms of either hiring, promotion, compensation, training, or retention.

The impact and significance of the glass ceiling on the small business community is particularly noteworthy. On the positive side:

- * the burgeoning number of small firms being started by women and minorities can be partly attributed to the glass ceiling, as some who have plateaued as employees are opting to leave and become entrepreneurs;

- * and, these small business owners, who certainly are sensitive to the glass ceiling dilemma, can take the lead in shattering the glass ceiling by showing that one can employ a diverse workforce, remain competitive, and make a profit.

However, the glass ceiling phenomenon potentially deprives small businesses of resources they can least afford to lose. Smaller businesses, with their concomitant smaller staffs, must, for their very survival, be open to using all of the talents of all of the people on their payroll. Giving in to glass ceiling stereotypes and assumptions about who can perform at the top levels or who would want to take on that responsibility is shortsighted and a poor business practice.

Small business owners -- and women business owners in particular -- can be the role models for shattering the glass

ceiling. The sheer numbers are telling. There are millions of small businesses in the United States versus thousands of large businesses, and women business owners employ the same number of people now as the Fortune 500 companies, according to a study by the National Association of Women Business Owners. Moreover, the often informal and resourceful character of small businesses has made them innovators in other areas in the past. The challenge now is to channel the frustrations felt as employees and the talent that went unrewarded into creating places of employment that attract and develop the best employees.

I am pleased with the distinguished panel of witnesses we have before us today. My respected, Congresswomen Patsy Mink of Hawaii and Anna Eshoo of California, will be our first witnesses. Our second panel is composed of Ms. Joyce Miller, Director of the Glass Ceiling Commission at the Department of Labor; Ms. Nikki Brown, President and Chief Executive Officer of the Wilton Bank, Wilton Connecticut; Ms. Emma Chappell, Founder and Chairperson, United Bank of Philadelphia; Ms. Emily-May Richards, President, The Richards Group, Atlanta, Georgia; and Ms. Karetta Hubbard, Principal, Hubbard & Revo-Cohen, Inc., of Reston, Virginia.

Each witness is personally familiar with the glass ceiling, having shattered it for themselves and for others. I look forward to hearing their experiences and their recommendations.

Statement before the Small Business Committee
Hearing on the "Glass Ceiling"
Rep. Marjorie Margolies-Mezvinsky
June 24, 1993

Thank you Mr. Chair for holding this very important hearing today on the "glass ceiling" -- that artificial barrier present in many companies which prevents qualified women from advancing up the job ladder. In too many of our country's office buildings, women are overlooked for jobs they are qualified for, having been judged on different standards than men. The women's movement is over 25 years old, yet in 1991, women hold only 6.6% of senior executive positions in surveyed Fortune 500 companies. Many women share the belief voiced by one female executive that "men seem to be promoted on their potential. Women get promoted on their performance, and it takes longer."

Yet there does exist some good news -- many women's frustrations have led them to venture out on their own and found their own businesses. In fact, many of the new small businesses created in recent years are women-owned and their numbers are growing. Denied the Senior Vice Presidency spot in their large corporation, they become the President of their own small companies. One such woman happens to be testifying today before this committee about her experience in the banking profession.

I am delighted to introduce to the committee Dr. Emma Chappell, a resident of my district, who founded the United Bank of Philadelphia after she confronted her own glass ceiling in a large, nationally known corporation. Her bank is the first black-controlled, full-service commercial bank in Philadelphia and the only one in Pennsylvania. Dr. Chappell has also served as the founding president of the Philadelphia Commercial Development Corporation, and was the co-chairperson of the Philadelphia City Council's Advisory Committee on Economic Development. I welcome her here today and look forward to her testimony.

Again I thank you Mr. Chair for holding this most important hearing.

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Opening Remarks of the Hon. Glenn Poshard
Committee on Small Business
June 24, 1993

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Mr. Chairman and members of the Committee, I am pleased to be here today to hear testimony about "The Glass Ceiling" and the impact of this issue upon women and minorities in the business world.

In a time when our families are adjusting to competing demands on their time and changing roles in the workplace, we must not continue to overlook the important role that women and minorities play in creating a sound workforce.

I look forward to hearing the panel of distinguished professional women who have challenged "The Glass Ceiling" and bought this issue to light here today.

Thank you, Mr. Chairman.

STATEMENT OF REPRESENTATIVE JAN MEYERS
"THE GLASS CEILING"
HEARING BEFORE THE COMMITTEE ON SMALL
BUSINESS
U.S. HOUSE OF REPRESENTATIVES
WASHINGTON, D.C.
JUNE 24, 1993

Mr. Chairman, thank you for scheduling this hearing on a topic that affects women, minorities, businesses large and small, and the workforce that will drive our economy into the next century--the existence of a "glass ceiling." Glass ceiling is a term that refers to the all too common situation of women and minorities rising up the business or corporate ladder, only to plateau, unable to gain admittance to the top management and professional jobs in their company. Mr. Chairman, "glass ceiling" is a term-of-art that simply describes the very real discrimination that continues to exist for more than half our workforce--women and minorities.

Since the U.S. Department of Labor, under the leadership of former Secretary Elizabeth Dole, launched its Glass Ceiling Initiative in 1989, some much-needed attention has been drawn to the subtle, and not-so-subtle, discrimination in corporate America, as well as in the federal government. Study has found that efforts to promote equal employment opportunities and monitoring for equal access often does not ascend to senior management levels, or is not considered the responsibility of corporate officers. As a result, the promising careers of many talented individuals have been frustrated. Too many businesses are overlooking the rich talent pool right under their noses, and forcing some of their best and brightest to strike out on their own to get out from under the glass ceiling.

As we will hear from our talented group of witnesses assembled this morning, many successful small businesses have been launched under these circumstances. Not only have they eliminated the barriers to their own careers, but they are providing jobs and opportunities for others. Most notably, our witnesses are to be commended for their efforts to employ other women and minorities in top positions in their businesses, and for using flexible work policies to attract and retain these individuals. Just as the small business community has pulled our economy to recovery, perhaps this same community will lead the way in getting the business community at large to make the necessary personnel policy changes that work with, rather than fight, changing workforce demographics.

Mr. Chairman, again I thank you for holding this hearing on a subject that is of great concern to me, and to my colleagues on the Congressional Caucus for Women's Issues. I would like to welcome all of our witnesses this morning, and especially thank you, Mr. Chairman, for acting upon my suggestion to include Ms. Karetta Hubbard among our distinguished panelists. I hope we will continue to explore this issue as one that is important to the small business workforce, and a contributing factor to the growing pool of women and minority entrepreneurs.

STATEMENT FOR
CONGRESSMAN FLOYD H. FLAKE
BEFORE THE COMMITTEE ON SMALL BUSINESS
JUNE 24, 1993

GOOD MORNING MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE ON SMALL BUSINESS. I WOULD LIKE TO THANK THE CHAIRMAN FOR HOLDING THIS HEARING TO DISCUSS AN ISSUE OF VITAL IMPORTANCE. IN ADDITION, I WELCOME OUR WITNESSES AND LOOK FORWARD TO THE INSIGHT THAT THEY WILL PROVIDE.

MR. CHAIRMAN, THIS CRITICAL HEARING WILL BE INSTRUMENTAL IN ILLUMINATING THE REALITY THAT THE "GLASS CEILING" REMAINS INTACT. BECAUSE A FEW WOMEN AND MINORITIES MAINTAIN HIGH STATUS POSITIONS IN PRESTIGIOUS FIRMS, WE CANNOT ADHERE TO THE ILLUSION THAT THIS REFLECTS THE GREATER SOCIETY. THE BUSINESS COMMUNITY AND THE PROFESSIONAL COMMUNITY DOES NOT MIRROR, IN ANY WAY, THE POOL OF WELL-TRAINED WOMEN AND MINORITIES.

IN ORDER TO MAINTAIN A STRONG AND INCLUSIVE SOCIETY, WE MUST UTILIZE ALL OF OUR CITIZENS TO THEIR FULLEST CAPACITY. THIS NATION MUST UNDERSTAND THAT THE FUTURE WELL BEING OF ALL AMERICANS RESTS ON THE OPPORTUNITY THAT WE ALLOW OTHERS. AS WE CONDEMN CERTAIN SECTORS OF OUR SOCIETY BASED ON FALSE ASSUMPTIONS, WE CONTRIBUTE TO THE DENIGRATION OF FUTURE GENERATIONS.

THE "GLASS CEILING", WHICH SEEKS TO ELUDE PEOPLE INTO BELIEVING THEY HAVE CERTAIN OPPORTUNITIES, IS NOT ONLY EXCLUSIONARY AND RACIST, BUT ALSO COUNTERPRODUCTIVE. BY EXCLUDING PERSONS FROM THE WORKFORCE BECAUSE OF ERRONEOUS ASSUMPTIONS AND GROSS GENERALIZATIONS ABOUT SKIN COLOR OR GENDER, A GREAT RESOURCE IS BEING OVERLOOKED. PEOPLE MUST REALIZE THAT THE SUCCESSFUL CONTRIBUTIONS OF WOMEN AND MINORITIES IN THIS SOCIETY HAS BEEN

CONSEQUENTIAL IN THE DEVELOPMENT OF THIS NATION. WITH THAT IN MIND, WE CANNOT SAY THAT MINORITIES LACK THE NECESSARY SKILLS TO ACHIEVE CERTAIN GOALS AND ATTAIN TOP LEVEL POSITIONS. THERE SEEMS TO BE SOME ASSUMPTION THAT ALL AMERICANS ARE ENABLED THE OPPORTUNITY TO DO ANYTHING IF THEY WORK HARD ENOUGH. THAT SIMPLIFIED VIEW OF TODAY'S SOCIETY IS SHORT-SIGHTED AND ARRANTLY FALSE.

THERE IS A REALITY THAT INSTITUTIONALIZED RACISM PERSISTS THROUGHOUT AMERICA IN BOTH LARGE CORPORATIONS AND SMALL BUSINESSES. MANY WOULD LIKE TO BELIEVE THAT TOKEN ADVANCEMENTS ARE NOT INDICATIVE OF SOCIETAL NORMS. I CONTEND, HOWEVER, THAT THERE REMAINS A GREAT PROBLEM THAT MUST BE ADDRESSED. TOKEN ADVANCEMENTS WHICH SEEK TO PACIFY MINORITY GROUPS AND JUSTIFY EXCLUSIONARY PRACTICES, MUST BE LOOKED UPON FOR WHAT THEY REALLY ARE.

AGAIN, MR. CHAIRMAN, THANK YOU FOR HOLDING THIS HEARING TO ACKNOWLEDGE THAT "GLASS CEILINGS" DO EXIST AND THAT WE MUST FIND SOLUTIONS TO TAKE THEM DOWN.

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STATEMENT BY CONGRESSMAN JIM RAMSTAD
BEFORE THE HOUSE SMALL BUSINESS COMMITTEE
June 24, 1993

HEARING ON THE "GLASS CEILING"

Mr. Chairman, thank you for calling this hearing to address the very important issue of the "glass ceiling" for women and minorities.

Last August, then-Secretary of Labor Lynn Martin and Small Business Administrator Patricia Saiki decided to call attention to this unseen barrier that prohibits qualified minorities and women from attaining positions in upper-management.

Secretary Martin and Administrator Saiki, in conjunction with Secretary of Commerce Barbara Franklin, made great strides in educating the business community about the detrimental effects of the "glass ceiling."

Now that these talented women are no longer in a position to lead the fight against this invisible barrier to promotion, it is right for us to use this forum to carry on their work.

Small businesses currently provide more opportunities for women, minority and young workers. Statistics from the Census Bureau back this up: women are starting businesses at twice the rate of men, and now own more than 400,000 corporations; the number of Black-owned businesses is up by 40%; Hispanic-owned up by 80%; Asian-American-owned up by 90%. By the year 2000, the SBA predicts that half of all businesses will be owned by women and over half of all workers in small businesses will be women. But, for all this progress in the number of women and minority-owned businesses, the glass ceiling still exists and must be dismantled.

Small businesses in particular cannot afford to be discriminatory in their hiring and promotion process. Small businesses depend to an even greater degree than large corporations on the strength and ability of their workforce. It is important that they use every resource available to them in order to succeed in new and emerging markets. They cannot afford to pass over crucial talent because of gender or ethnicity.

In fact, many small business owners are all too aware of the problem of the "glass ceiling." As then-Administrator Saiki reported, "The growth in the number of women and minority-owned businesses has been, in many cases, a direct result of facing glass ceiling barriers. They are choosing to strike out on their own and become business owners." These women and minorities had their abilities stifled because of their gender or ethnicity, but they did not let that stop them. They went out and started their own businesses.

Mr. Chairman, we must remain committed to this task, so that women and minorities will be rewarded for hard work and so that businesses large and small will hire and promote based on merit and merit alone.

I look forward to today's testimony with great interest.

REMARKS OF THE HONORABLE EDDIE BERNICE JOHNSON BEFORE THE SMALL BUSINESS
COMMITTEE HEARING ON THE "GLASS CEILING"

I'D LIKE TO THANK REPRESENTATIVE LAFALCE FOR HOLDING THIS VERY TIMELY HEARING THIS MORNING ON A SUBJECT THAT IS VERY IMPORTANT TO ALL WORKING WOMEN. I REALIZE THAT THE FOCUS OF THIS HEARING IS ON THE GLASS CEILING AND ITS AFFECTS ON CAREER WOMEN BUT I WOULD LIKE TO ADDRESS ONE ASPECT OF THIS PROBLEM THEN FOCUS MY REMARKS ON THE DIFFICULTIES WOMEN WHO HAVE HIT THE CEILING ENCOUNTER AFTER VENTURING INTO THE PRIVATE SECTOR.

AS ONE WHO HAS LIVED THE PROBLEM, I WOULD LIKE TO MAKE A FEW OBSERVATIONS. MEN OUTSERVE WOMEN ON CORPORATE BOARDS BY APPROXIMATELY 24 TO 1. IN MY EXPERIENCE, NOT ONLY HAVE THE OPPORTUNITIES FOR WOMEN IN THE BOARDROOM HAVE BEEN FEW BUT OFTEN, THE FEW POSITIONS THAT HAVE BEEN OFFERED TO WOMEN, UNLIKE THEIR MALE COUNTERPARTS, HAVE BEEN NON-REMUNERATIVE. OR, THE "WOMAN'S SEAT" HAS GONE TO THE WIFE OF A WEALTHY SHAREHOLDER OR EXECUTIVE IN THE CORPORATION. THESE PRACTICES HAVE SERVED TO CREATE AN ATMOSPHERE WHICH REMAINS EXCLUSIVE AND EVER INSENSITIVE TO THE NEEDS OF THE AVERAGE CAREER WOMAN. THUS HUMAN RESOURCE

DECISIONS AFFECTING THE CORPORATION ARE MADE WITHOUT THE INSIGHT OF SOMEONE WHO REALLY HAS TO WORRY ABOUT FINDING DAY CARE OR AFTERSCHOOL CHILDCARE; WITHOUT THE EXPERIENCE OF SOMEONE WHO'S HAD TO WORRY ABOUT WHAT EFFECT LOSING THAT SECOND INCOME MIGHT HAVE ON THE FAMILY UNIT; WITHOUT THE TREPIDATIONS OF SOMEONE WHO MAY BE BEARING THE BURDEN OF SOLE RESPONSIBILITY FOR THE WELL-BEING OF ONE OR MORE CHILDREN.

THUS WOMEN WHO OPT FOR THE CORPORATE WORLD STILL FIND IT INFLEXIBLE AND INSENSITIVE. WHEN THEY BUMP UP AGAINST THE CEILING AFTER HAVING MADE SACRIFICE AFTER SACRIFICE, OFTEN THEY GET FED UP WITH THE CONSTANT BATTLES AND LEAVE THE CORPORATE STRUCTURE TO STRIKE OUT ON THEIR OWN. AND IT IS NOT EASY. FOR MINORITY WOMEN, IN PARTICULAR, THERE ARE SEVERAL BARRIERS WHICH MUST BE OVERCOME. IN ADDITION TO THE NORMAL PROBLEMS ASSOCIATED WITH BEING A SMALL BUSINESSPERSON (E.G. SHORTAGE OF VENTURE CAPITAL, PRESSURE FROM UNIONS TO PAY UNION WAGES), MINORITY WOMEN FACE ADDITIONAL HURDLES OF RACE AND GENDER.

THE CREDIT SHORTAGE WHICH CONTINUES TO PLAGUE SMALL

BUSINESS BECOMES MORE ACUTE WHEN ETHNICITY IS ADDED. A STUDY PUBLISHED IN THE **WALL STREET JOURNAL** IN FEBRUARY FOUND THAT LENDING INSTITUTIONS PROVIDED ONLY 6% OF ALL FINANCING FOR BLACK BUSINESSES. THE SITUATION IS VERY SIMILAR WOMEN, WHO, ACCORDING TO THE NATIONAL ASSOCIATION OF WOMEN BUSINESS OWNERS, RECEIVE MOST OF THEIR SHORT AND LONG-TERM FINANCING FROM BUSINESS EARNINGS AND PRIVATE SOURCES.

ANOTHER DIFFICULTY UNIQUE TO MINORITY WOMEN IS THAT THERE IS LITTLE STATISTICAL EVIDENCE WHICH FOCUSES ON MINORITY WOMEN AS A CLASS. FOR THE MOST PART, STATISTICS BOTH PRIVATE AND PUBLIC WILL COUNT MINORITY WOMEN AS WOMEN OR AS MINORITIES DEPENDING UPON WHICH CLASS IS UNDER SCRUTINY. THIS OFTEN LEADS TO A MISREPRESENTATION OF THE STATUS OF BOTH MINORITIES AND WOMEN, OFTEN TO THE DISADVANTAGE OF THE MINORITY WOMAN.

IN THE PUBLIC SECTOR BECAUSE OF THE AMBIGUOUSNESS OF GUIDELINES AND LACK OF ENFORCEMENT OF SMALL AND DISADVANTAGED BUSINESS CRITERIA, MINORITY WOMEN ARE OFTEN COUNTED TWICE IN THE TALLYING OF SDB CONTRACTING GOALS. UNFORTUNATELY, LEGISLATIVE MEASURES TO OPEN

OPPORTUNITIES TO NON-MINORITY WOMEN THROUGH INCLUDING THEM CATEGORICALLY AS SMALL AND DISADVANTAGED BUSINESSES HAS OPENED THE DOOR TO ABUSE AND CREATED GREATER CONFUSION.

IN MY OBSERVATIONS OF LARGE FEDERAL CONTRACTING PROGRAMS, FROM THE PERSPECTIVE OF A STATE LEGISLATOR, I HAVE WITNESSED SEVERAL DISTURBING TRENDS WHICH I FEEL NEED TO BE ADDRESSED TO AVOID THE IMMINENT CONFLICT BETWEEN WOMEN AND MINORITY-OWNED BUSINESSES. SINCE LANGUAGE WAS INCLUDED, IN THE CASE OF THE SUPERCONDUCTING SUPER COLLIDER AND RTC, TO MAKE WOMEN ELIGIBLE AS SDBS A PROLIFERATION OF "FRONT" FIRMS HAS OCCURRED. THERE HAVE BEEN SEVERAL INSTANCES WHERE HUSBANDS TRANSFER 51% OWNERSHIP OF THEIR COMPANIES TO THEIR WIVES SO THAT THEY CAN QUALIFY FOR SDB CONTRACTING OPPORTUNITIES.

THIS BECOMES VERY DISCONCERTING WHEN ONE EXAMINES SDB CONTRACTING ACCOMPLISHMENTS AND FINDS, AS I DID WITH RTC, THAT THE MAJORITY OF SDB CONTRACT AWARDS WENT TO WOMEN-OWNED FIRMS. NOW, AS A WOMAN AND MINORITY, THE LAST THING I WOULD WANT TO SEE IS THE PITTING OF WOMEN

AND MINORITIES ONE AGAINST THE OTHER. BUT WHEN I SEE A DISPROPORTIONATE NUMBER OF SDB CONTRACTS AWARDED TO WOMEN-OWNED BUSINESSES AND COUPLE THAT INFORMATION WITH A SIGNIFICANT PRESENCE OF FRONT FIRMS, I BECOME CONCERNED ABOUT JUST WHAT OPPORTUNITIES ARE AVAILABLE FOR LEGITIMATE MINORITY AND SMALL WOMEN-OWNED FIRMS.

I AM PLEASED THAT RECENT LEGISLATION HAS BEGUN TO ESTABLISH SEPARATE ACCOUNTING MEASURES FOR WOMEN AND MINORITY CONTRACTORS. BUT THERE IS STILL NEEDS TO BE ONE STANDARD ENFORCEABLE DEFINITION OF SMALL AND DISADVANTAGED BUSINESSES ACROSS THE FEDERAL GOVERNMENT. ADDITIONALLY, I WOULD RECOMMEND THAT THIS COMMITTEE SERIOUSLY EXAMINE THE ISSUE OF FRONT COMPANIES, BOTH MINORITY AND WOMEN, SO THAT A LEVEL PLAYING FIELD IS ACHIEVED FOR ALL LEGITIMATE SMALL AND DISADVANTAGED BUSINESSES.

The Honorable Susan Molinari
Submitted Testimony to
The House Small Business Committee
June 24, 1993

THANK YOU MR. CHAIRMAN, THE RANKING MINORITY MEMBER, AND ALL THE DISTINGUISHED MEMBERS ON THE SMALL BUSINESS COMMITTEE FOR THIS OPPORTUNITY TO SUBMIT TESTIMONY BEFORE YOU TODAY.

I AM PLEASED TO BE ABLE TO DISCUSS THE IMPORTANT ISSUE OF WHY WOMEN AND MINORITIES FIND THEMSELVES CONFRONTING THE PHENOMENON KNOWN AS THE "GLASS CEILING;" THE INVISIBLE, OFTEN SUBTLE BARRIER THAT PREVENTS QUALIFIED WOMEN AND MINORITIES FROM ADVANCEMENT IN THE BUSINESS WORLD.

IN THE 1970'S, WOMEN FIRST BEGAN ENTERING MANAGERIAL AND PROFESSIONAL JOBS IN SUBSTANTIAL NUMBERS. TWO DECADES LATER, FEW HAVE CLIMBED AS FAR OR AS FAST AS THEIR MALE COLLEAGUES. WOMEN CLIMBING THE CORPORATE LADDER TO THE TOP OFTEN FIND THEMSELVES SIDE-TRACKED AND PASSED OVER FOR PROMOTIONS.

AS LONG AGO AS 1968, 15 PERCENT OF ALL MANAGERS WERE WOMEN. GIVEN THESE FIGURES, WOMEN TODAY SHOULD CONSTITUTE A MUCH LARGER PERCENTAGE OF SENIOR EXECUTIVES THAN THEY CURRENTLY DO. THE FACT THAT WOMEN HAVE BEEN UNABLE TO BREAK INTO THE UPPER ECHELONS OF BUSINESS TESTIFIES TO THE EXISTENCE OF A "GLASS CEILING."

ATTITUDINAL FACTORS CONTRIBUTE TO THE LACK OF OPPORTUNITIES FOR PROMOTION OF WOMEN AND MINORITIES. FOR EXAMPLE THE EXISTENCE OF AN "OLD-BOY NETWORK" THAT GRANTS WHITE MEN ACCESS TO INFORMATION, ADVICE, AND BUSINESS-RELATED COMMUNICATION NOT AVAILABLE TO WOMEN AND MINORITIES.

ACCORDING TO INTERVIEWS CONDUCTED ON THE "GLASS

CEILING," THE REASON WOMEN MOVE EASILY WITHIN THE LOWER RANKS OF THE CORPORATE WORLD IS BECAUSE MEN HAVE NO TROUBLE WITH WOMEN DISPLAYING TECHNICAL EXPERTISE, AS IS REQUIRED AT THE BOTTOM AND MIDDLE RUNGS. THE BARRIER APPEARS AT THE HIGHER LEVELS, WHEN WOMEN MUST EXERCISE LEADERSHIP POWER. THEN APPREHENSION AMONG MALE SENIORS ARISES, AND WOMEN ARE PREVENTED FROM MOVING UP THE CORPORATE LADDER BY MALE ATTITUDES AND STEREOTYPICAL ROLES FOR PROFESSIONAL WOMEN.

IT HAS ALSO BEEN FOUND THAT MEN ARE MORE COMFORTABLE INTERACTING WITH OTHER MEN. NOT ONLY DO MEN INTERACT WITH EACH OTHER ON A PROFESSIONAL LEVEL, THEY FREQUENTLY SOCIALIZE IN WHAT HAS BEEN CALLED A "MALE CLUB." WOMEN ARE NOT PART OF THIS CLUB AND ARE LEFT OUT OF SOCIAL ACTIVITIES SUCH AS DRINKS AFTER WORK, OR A DAY ON THE GOLF COURSE.

ORGANIZATIONAL FACTORS HAVE ALSO CONTRIBUTED TO THE LACK OF PROMOTION OPPORTUNITIES FOR WOMEN AND MINORITY MANAGERS BY CONCENTRATING THEM IN "STAFF" POSITIONS, SUCH AS PERSONNEL, RATHER THAN "LINE" POSITIONS, SUCH AS SALES AND MARKETING, THAT ARE CONSIDERED SUPERIOR ROUTES TO ADVANCEMENT.

MINORITY WOMEN HAVE A TWO-FOLD PROBLEM. WHILE WHITE WOMEN WORRY ABOUT PENETRATING THE MALE NETWORK IN BUSINESS, MINORITY WOMEN MUST WORRY ABOUT PENETRATING BOTH THE GENDER AND THE WHITE NETWORK.

WOMEN CURRENTLY COMPRISE CLOSE TO HALF OF THE CIVILIAN WORKFORCE. BY THE YEAR 2000, MORE WOMEN AND MINORITIES THAN MEN WILL BE ENTERING THE WORKFORCE, DRAMATICALLY AND PERMANENTLY ALTERING THE OVERALL COMPOSITION OF LABOR IN AMERICA. U.S. PRODUCTIVITY AND COMPETITIVENESS IN THE INTERNATIONAL MARKETPLACE WILL DEPEND MORE AND MORE UPON INDUSTRY'S ABILITY TO ENCOURAGE, SHAPE, INCORPORATE, AND NURTURE THE SKILLS,

KNOWLEDGE, CREATIVITY, AND ENERGY OF WOMEN AND MINORITY WORKERS.

THOSE WOMEN AND MINORITIES WHO ARE ABLE TO ENTER THE WORKFORCE IN HIGH-PAYING, MOBILE, PROFESSIONAL POSITIONS WILL FACE LOWER SALARIES AND SLOWER PROMOTIONS RATES ONCE EMPLOYED, AND RECEIVE LESS ACCESS TO THE EDUCATION, TRAINING AND SUPPORT NECESSARY TO HELP PREPARE THEM FOR ADVANCEMENT IN THE CORPORATE WORLD.

UNDER THEN SECRETARY LYNN MARTIN, THE DEPARTMENT OF LABOR CONDUCTED A SMALL BUT EXEMPLARY "GLASS CEILING" REPORT WHICH SUBSTANTIATED WHAT MANY OF US HAVE SUSPECTED ALL ALONG, THAT A CASTE SYSTEM EXISTS IN CORPORATE AMERICA. THIS REPORT WAS AN IMPORTANT FIRST STEP IN UNDERSTANDING AND REMOVING THE BARRIERS TOWARD WOMEN AND MINORITIES. HOWEVER, IT WAS JUST A FIRST STEP TOWARD A PERVERSIVE PROBLEM THAT HAS EXISTED IN OUR SOCIETY FOR FAR TOO LONG. IT IS IMPORTANT TO NOTE THAT THE REPORT COMPLETED BY THE DEPARTMENT OF LABOR WAS A MODEST PILOT STUDY, EXAMINING ONLY NINE FORTUNE 500 COMPANIES.

TO HELP BUILD UPON THE FINE WORK THE DEPARTMENT OF LABOR BEGUN, SENATOR DOLE AND I INTRODUCED LEGISLATION TO ESTABLISH A HIGH-LEVEL 21 MEMBER GLASS CEILING COMMISSION CHARGED WITH EXPANDING THE RECORD OF THE DEPARTMENT OF LABOR'S EFFORTS. THE COMMISSION WAS ESTABLISHED UNDER THE CIVIL RIGHTS ACT AMENDMENTS OF 1991.

AS THE AUTHOR OF THE LEGISLATION THAT ESTABLISHED THE COMMISSION, IT WAS HONOR FOR ME TO BE NAMED AS ONE OF THE 21 COMMISSION MEMBERS -- AS A MEMBER OF CONGRESS, AND AS A WOMAN -- WHO HAS A KEEN INTEREST IN HELPING TO SHATTER THE GLASS CEILING THAT CURRENTLY EXISTS IN OUR SOCIETY. AFTER ALL, IF WE EXAMINE MY PROFESSION IN CONGRESS, THERE ARE CURRENTLY ONLY 48

WOMEN SERVING IN THE HOUSE OF REPRESENTATIVES AND ONLY SEVEN WOMEN SERVING IN THE SENATE.

WE NEED TO WORK AS A GROUP TO ENSURE WOMEN AND MINORITIES EQUAL EMPLOYMENT OPPORTUNITIES. I DON'T WANT TO BURDEN YOU WITH TOO MANY STATISTICS, BUT SHOULD ANYONE HERE DOUBT THE IMPORTANT MISSION OF THIS COMMISSION CONSIDER THE FOLLOWING -- IN 1989, ONLY 2.9 PERCENT OF CORPORATE SENIOR EXECUTIVES WERE WOMEN, UP FROM 0.5 PERCENT IN 1979. AND, MOST RECENTLY, IN A SEPTEMBER 21, 1992 ARTICLE IN FORTUNE MAGAZINE, "WHEN WILL WOMEN GET TO THE TOP?", A POLL OF 201 CHIEF EXECUTIVES OF THE NATION'S LARGEST COMPANIES REVEALED THAT ONLY 16% BELIEVE IT IS "VERY LIKELY" OR "SOMEWHAT LIKELY" THAT THEY COULD BE SUCCEEDED BY A FEMALE CEO WITHIN THE NEXT DECADE. AND ONLY 18% THINK IT'S "VERY LIKELY" THAT EVEN AFTER 20 YEARS A WOMAN WOULD BE PICKED TO RUN THEIR COMPANIES. CLEARLY, THE COMMISSION HAS A LOT OF WORK TO DO.

I DON'T WANT TO PAINT A COMPLETELY DIM PICTURE, BECAUSE THERE ARE A FEW WOMEN AND MINORITY PIONEERS THAT HAVE MADE IT TO THE TOP OF CORPORATE AMERICA. BUT AS WE CAN SEE FROM THE FORTUNE POLL, TRUE PROGRESS HAS BEEN PAINFULLY SLOW. FOR THE PAST TWO DECADES MANY ARTICLES HAVE BEEN WRITTEN ON WHY QUALIFIED WOMEN AND MINORITIES ARE NOT ADVANCING IN THE BUSINESS WORLD. BUT NEVER BEFORE HAVE WE TAKEN ON THIS SUBJECT WITH A COMPREHENSIVE, 21 MEMBER COMMISSION COMPRISED OF PROFESSIONALS FROM THE BUSINESS WORLD, WOMEN'S ORGANIZATION'S, AND POLITICAL OFFICE HOLDERS TO COLLECT DATA, EVALUATE, AND OFFER SOLUTIONS ON HOW TO ERADICATE THE GLASS CEILING.

WHAT WE NEED TO DO IS SHATTER THESE BARRIERS, AND SEEK OUT THE INNOVATIVE EDUCATION AND TRAINING PROGRAMS THAT WILL ESTABLISH A HEALTHIER BALANCE IN THE WORKPLACE. WE NEED TO EMBRACE PROGRAMS THAT ARE MOST SUCCESSFUL IN HELPING TO ADVANCE WOMEN AND

MINORITIES. WE NEED TO CREATE WORKSHOPS TO HELP WOMEN AND MINORITIES PERSEVERE THROUGH THIS SUBTLE YET FAR REACHING DISCRIMINATION TO MAKE IT TO THE TOP.

IF WOMEN AND MINORITIES CONTINUE TO BE IGNORED BY CORPORATE AMERICA, WE ARE IGNORING A VALUABLE RESOURCE THAT COULD MAKE A TREMENDOUS DIFFERENCE IN TERMS OF POSSIBLE CONTRIBUTIONS TO OUR SOCIETY. IT MAY BE A LONG, TRYING EFFORT TO SHATTER THE "GLASS CEILING," BUT IF WE DO NOT PERSIST, AND REALIZE OUR GOALS, NOT ONLY WILL WOMEN AND MINORITIES CONTINUE TO SUFFER, BUT ALL OF SOCIETY WILL SUFFER.

LYNN SCHENK
48TH DISTRICT
CALIFORNIA



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FISHERIES
MERCHANT MARINE
COAST GUARD AND NAVIGATION
OCEANOGRAPHY, THE GULF OF MEXICO, AND
THE OUTER CONTINENTAL SHELF

Congress of the United States
House of Representatives
Washington, D.C. 20515

Testimony of Congresswoman Lynn Schenk
Before the House Committee on Small Business
Thursday June 24, 1993

Mr. Chairman and members of the Committee, I would like to thank you for inviting me to submit testimony today on the glass ceiling issue.

I commend Chairman LaFalce for addressing this important issue and I thank ranking member Jan Meyers, a fellow Executive Committee member of the Congressional Caucus for Women's Issues, for her work on this issue.

Mr. Chairman, the glass ceiling is an artificial barrier which hinders the advancement of millions of women and minorities every day. While less obvious, the practices that create this barrier are just as effective in keeping women and minorities from achieving equal economic status.

The statistics tell the story best. Women make up 45.7% of the employees in large companies (100 or more) yet only 27.4% hold top executive and managerial positions. The percentages for minorities are even worse. While 22.3% of minorities hold jobs in large companies, an astonishing 9.9% hold top positions.

The 1991 Department of Labor report, The Glass Ceiling Initiative makes it painfully clear how much the "old boys network" is still operating in corporate America. This is the kind of networking that keeps women and minorities from having access to top level positions.

Increasing numbers of women and minorities turn to small businesses after being denied opportunities in large companies. Unfortunately, this is hardly a permanent option for these Americans. The small business administration reports that only one in five small businesses survive five years or longer. With less than 20% survival rate of small business, women and minorities in corporate America have few options.

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There are solutions to this problem. Last year, the Department of Labor issued a second report entitled, Pipelines Of Progress: A Status Report On The Glass Ceiling. This report points out some key initiatives employers can take to help shatter the glass ceiling. These initiatives include education on behavioral biases and discrimination, ensuring access to management development and training programs, and improving access to entry level positions which could lead to further advancement.

In addition, I commend President Clinton and my colleagues in the House and Senate for their support of the Family Medical Leave Act. Passage of this act is certainly a first step in ending the limits of career opportunities of women by creating family friendly workplaces. It addresses the undue burden women share in managing a career while taking care of a family.

Currently, with the support of the Congressional Caucus for Women's Issues, I am researching a bill which would provide small businesses with incentives for extending to their employees the provisions found in the Family Medical Leave Act. It is my hope that I would have the support of this committee once this legislation is introduced.

Mr. Chairman, the glass ceiling is not a "make believe" barrier. Having spent several years in a major company I can testify first hand that it is very real and causes women and minorities to either stagnate in their corporate environment or leads them to leave the corporate world entirely.

I would like to share with you the story of Rebecca Llewellyn, a contractor in my district in San Diego. Ms. Llewellyn hit a glass ceiling in the corporate world and decided to start her own business in the construction industry. With her two year old son on her lap, she would attend business meetings, prepare estimates and operate this small business.

That was 18 years ago. Today, Ms. Llewellyn is not only a successful business woman, she is also the National President of Women Construction Owners and Executives, USA.

Rebecca Llewellyn is one of the successes who broke through the glass ceiling. For every success however there are hundreds of women and minorities whose problems and concerns are never remedied.

The real loser in this scenario is America. In this global economy how can we afford not to use all of our resources, regardless of race or gender, to create new jobs, introduce new technologies, and reach out to our fellow man.

I thank the Committee again for inviting me to testify and I look forward to working with you in developing ways to break the glass ceiling.

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STATEMENT BY THE HONORABLE PATSY T. MINK
BEFORE THE HOUSE SMALL BUSINESS COMMITTEE
THE GLASS CEILING
JUNE 24, 1993

Mr. Chair and Members of the Small Business Committee, as chair of the Congressional Caucus for Women's Issues Task Force on Economic and Educational Equity, I am pleased to join this panel of my distinguished colleagues to share with this Committee the difficulties women and minorities face in obtaining access to the high-level jobs in American business.

I commend the chair for his leadership in convening today's hearing on this issue, known as the glass ceiling, and for this committee's long history of promoting women in small businesses. I know that Representative Jan Meyers, Ranking Member of this Committee and a member of the Congressional Caucus for Women's Issues, has played a key role in these efforts.

Mr. Chair, the subject of this hearing, the glass ceiling, is one of the most pressing problems facing women and minorities in the workforce today. It prevents talented, highly-qualified women and minorities from achieving their true potential in the workforce and moving up into higher-paid, more challenging positions.

In addition, it robs American business of the talents of many highly-skilled and educated women and minorities who could increase the productivity and success of business and industry.

Despite the fact that women and minorities make up half of this nation's workforce, access to the top level management jobs in the private and public sectors continue to be held by non-minority men.

According to recent data from the Equal Employment Opportunity Commission, women make up 45.7 percent of the employees in large companies (100 or more employees), yet only 27.4 percent are in a managerial position. Minorities account for 22.3 percent of all jobs at large companies, yet they account for only 9.9 percent of officials and managers.

Less than 2 percent of all corporate senior executives are women. 68 percent of Fortune 500 companies have no women at the vice-presidential level and up. While only 4.5 percent of Fortune 500 Directorships are held by women.

The glass ceiling is a form of discrimination in the workplace. Although practices and policies which create this barrier are often not as obvious as other forms of discrimination, they are just as effective in denying employment and economic opportunities for women and minorities.

A 1991 Department of Labor Report, The Glass Ceiling Initiative identified recruitment practices as one of the major obstacles to the promotion of women and minorities into the management ranks. Word-of-mouth networking and employee referrals, which tend to circulate among the "old-boys network" deprive women and minorities access to informal advice and information about management positions.

Men in mid-level management positions more easily develop relationships with senior managers who tend to act as their mentors. Women and minorities lack these role models and mentors.

Sexual harassment and racism often makes the higher levels of the corporate ladder intimidating and humiliating for women and minorities.

Attitudes and long-held misconceptions, particularly about women in the workplace, have created artificial barriers which make it harder for women to prove their loyalty and commitment to their jobs.

This includes misconceptions that women are not aggressive, that we are not willing to relocate for a higher position, that we lack drive and commitment, and that family responsibilities will prevent us from being dedicated and long-term employees.

While both men and women are confronted with the difficulties of raising a family and having a career, the lack of child care, family and medical leave, and other "family friendly" policies in the workplace tend to limit the career opportunities and advancement of women rather than men.

Minority groups also face misconceptions and stereotypes. Asian Americans, though qualified and competent for higher management positions, are often stereotyped as not aggressive, inarticulate in the English language, and too technical to become managers.

The result is that women and minorities are not being trained for executive positions.

Executive training seminars run by U.S. business schools which are said to be a must for future executives are almost exclusively male. Enrollment in these programs nationwide is just 5 percent female, after peaking at 8 percent in the late 1980s.

The Department of Labor's latest report on the limits to promotion of women at 95 major government contractors finds that few are being groomed for senior-level jobs.

Small businesses have an important role to play in providing opportunities for women to move beyond the glass ceiling. More and more women who have encountered barriers in larger corporations have turned to the small business alternative of starting their own company.

As many as 7 million women now run their own businesses, generating as much as \$500 billion in annual revenues, up from \$98 billion 10 years ago. According to a recent study by the National Association of Women Business Owners, women-owned firms will employ more workers than all the Fortune 500 companies combined by the end of this year.

However, women and minorities who seek to flee the glass ceiling by starting their own business often face other obstacles, including unequal access to credit, exclusion from government contracts, and outright discrimination.

This is especially true for women who establish businesses in non-traditional industries. The "old-boys network" exists among the small business community as well.

Federal programs established by this Committee have been successful in promoting women and minority-owned businesses

This year the Small Business Administration has awarded more than \$1.2 million to 11 organizations for long-term training and counseling of women business-owners.

The training programs, which were established by the Women's Business Ownership Act of 1988, are part of a national campaign to promote local economic development efforts by and for women entrepreneurs. To date, more than 15,000 women in 21 states have received assistance from this project.

It is important to note, however, that the movement toward business ownership is not a solution to the glass ceiling problem in and of itself. While it promotes economic advancement, self-sufficiency and provides role models and mentors for younger employees, business ownership is not an option for most women and minorities who encounter the glass ceiling.

There are many ways employers can encourage and assist the promotion of qualified women and minorities into higher level positions. The 1992 Department of Labor Report, Pipelines of Progress: a Status Report on the Glass Ceiling, identified several creative and effective approaches employers are currently using, including identifying and tracking entry level women and minorities with advancement potential, ensuring access to management development and training programs, education on behavioral biases and discrimination, and improving access to entry level positions that could lead to further advancement.

Other needed initiatives include programs and policies to eliminate sexual harassment in the workplace and increased efforts to collect information and data on the glass ceiling. For example, most studies on the glass ceiling examine Fortune 500 and large corporations. Little has been done to examine advancement opportunities in small businesses.

Increased access to child care; family and medical leave policies, which are not currently required for small businesses; flexible work opportunities and other family friendly policies will increase employment opportunities and experience for women and help them qualify for the top level positions.

There is no doubt that the federal government has a part to play in shattering the glass ceiling. The Glass Ceiling Commission established by the Congress in 1991, through the work of Representative Susan Molinari, who is with us today, will be crucial in examining this issue and recommending ways both the government and business can increase opportunities for women and minorities.

Increased collaboration between the Small Business Administration and the Department of Labor Women's Bureau can help identify glass ceiling problems in small businesses and develop strategies for increased advancement for women and minorities in this business sector.

I look forward to working with this Committee and others in Congress to pursue initiatives that will promote women and minorities in top-level management position. American business, our economy, and society will benefit as a result of such efforts.

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TESTIMONY OF REPRESENTATIVE ANNA G. ESHOO
BEFORE THE HOUSE COMMITTEE ON SMALL BUSINESS
THURSDAY, JUNE 24, 1993

Mr. Chairman and Members of the Committee, I would like to thank you for inviting me to testify before your committee today on the glass ceiling issue, particularly as it relates to small business. I would also like to thank you for addressing this critical issue, which continues to plague women in our society.

June 10 was the thirtieth anniversary of the Equal Pay Act, yet women have little to celebrate. Women still earn only seventy cents for every dollar earned by men. Since 1963, the pay differential between women and men has only narrowed by ten cents. This figure is only an average -- in some professions, women actually fare worse. Only hourly workers come close to wage parity. While the pay gap has narrowed overall, this is mostly attributable to a decrease in men's salaries. Women in highly paid positions often fare the worst. Only 7.5 percent of the 1,315 board members at America's 100 largest companies are women. Women constitute 37.2 percent of the Fortune 1000-sized firms, yet women constitute only 6.6 percent of executives in these firms. No one can dispute the fact that a glass ceiling exists. Whether the ceiling is institutional or attitudinal, it is there.

Employers will argue that women get paid and promoted less because they lack the qualifications that men have. What are adequate qualifications? Despite women's true qualifications or proven record, she may be held back based upon her lack of "traditional" qualifications. "Traditional" qualifications would include advanced degrees, membership in service or professional organizations, or high-level positions. For example, the National Institutes of Health uses a set of criteria in screening prospective candidates for its high level positions. One of the criteria they use is whether the candidate has served as dean of a medical school. There are currently only three women serving as deans of medical schools. This catch-22 cycle is difficult, if not impossible to break.

I am encouraged that the federal government and the media have begun to address this issue. But just as the Equal Pay Act has not worked, I am not convinced that any recent efforts by the federal government are solving this problem. For example, in 1992, when the Department of Labor released its report on the status of the glass ceiling issue, the Equal Employment Opportunity Commission (EEOC) had only filed two gender law suits under the Equal Employment Act, down from six the year before and 79 in 1980. This sends a message to employers that accountability does not exist.

Symbolism is important. Yet the federal government -- the nation's largest employer -- is providing no example to the private sector. Although women hold nearly half of the government's white-collar jobs, relatively few have gained access to executive and supervisory jobs. Only one in four federal supervisors is female and women account for approximately one in ten senior federal executives, according to a survey by the U.S. Merit Systems Protection Board. The report attributed much of the imbalance to unfounded stereotypes and assumptions.

These stereotypes are pervasive. When the National Academy of Sciences held its annual meeting last year, its reception for spouses was designated as a reception for wives and the invitations were printed on pink stationery. The National Science Foundation chose to celebrate Women's History Month by inviting a retail chain to show women how to "accessorize." Worse yet, recipients of the National Academy of Science's Medal of Service Award -- the highest achievement in science -- receive a tie clip.

Unfortunately, because attitudes toward women are so ingrained and pervasive, the answers are not always easy. The 1992 Labor Department report acknowledged that the "challenge to shatter the glass ceiling takes far more time and effort than even the strongest of commitments can produce in one year."

This is especially true in traditionally male dominated fields such as high technology and science. I represent the Silicon Valley, known for its innovations in high technology and scientific research. Some women have broken through the glass ceiling in high technology -- but so few that I can name them. Women such as Billye Erickson, Carol Bartz, Judy Koch, Jane Shaw, Cate Muther, Yvette Del Prado, Debbie Miller, Lore McGovern and Jane Evans have proven that women can be successful in the field. What we need to ask ourselves is how did they do it? What can these women and the companies they work for offer to other companies? Perhaps the federal government could develop a program or network where enlightened companies could share their experiences with small and start-up firms. Increasing the awareness of small businesses at an early stage would help form their corporate culture before negative attitudes and practices are established.

Another way businesses can address the glass ceiling issue is by developing clear descriptions of qualifications for all positions. The descriptions should be carefully analyzed to ensure that they are appropriate and gender neutral. Currently, women must meet arbitrary criteria to be considered for pay raises or job advancement. Women are often judged by different standards than men. Even women's and men's attitudes about job appraisal are vastly different. The majority of women feel that their job appraisal is based on how well they perform, while the majority of men base their performance on how well they get along with the boss. The issue is not that of an even playing field, rather women and men are playing on completely different fields.

Clearly, this is a difficult issue to address and correct. In summary, there are some common-sense steps that we at the federal level can help implement. First, we should start with ourselves. Nothing we do to address this issue will be taken seriously until our own efforts are taken seriously. We must also recognize and provide examples of companies and employers who have successfully avoided the glass ceiling phenomenon. We can also encourage companies to abide by clear, gender-neutral rules, not the unwritten rules which tend to favor men over women.

I look forward to this committee's conclusions and recommendations relative to this issue. Again, I thank the Chairman for holding this hearing and I appreciate the opportunity to testify.

Statement of Joyce D. Miller
Executive Director, Glass Ceiling Commission,
U. S. Department of Labor
Committee on Small Business
United States House of Representatives

June 24, 1993

Mr. Chairman and Members of the Committee:

Good morning. I am pleased to be invited to testify before this distinguished Committee. I appreciate the opportunity to come before you as the new Executive Director of the Glass Ceiling Commission.

The Department of Labor welcomes this Committee's concern about the glass ceiling problem as it exists in small businesses. I will briefly outline some background information on the Commission and on small business, and also share with you steps the Department of Labor and the Commission will be taking to heighten awareness of the glass ceiling, and the action we will be taking toward eliminating the glass ceiling in U.S. businesses.

On March 24, 1986, an article in the Wall Street Journal used the phrase "glass ceiling" to illustrate the artificial barriers faced by women and minorities seeking upward mobility and promotions and desiring to have the opportunity to make meaningful contributions to their employers as members of a

diverse workforce. While the article emphasized mid-level and upper-level management, it also discussed female entrepreneurship. It described several women who had left responsible positions in corporate management to start their own businesses, after "hitting a glass ceiling" in their corporate careers. The article cited a 1984 Vogue Magazine survey, which showed that self-employed women were increasing five times faster than self-employed men.

Statutory background:

The Glass Ceiling Commission was created by the "Civil Rights Act of 1991," to focus greater attention on the importance of eliminating artificial barriers to the advancement of women and minorities to management and decisionmaking positions in business; and to promote workforce diversity. Under section 202(b)(1) of the Act, the Commission is established "to study -- (A) the manner in which business fills management and decisionmaking positions; (B) the developmental and skill-enhancing practices used to foster the necessary qualifications for advancement into such positions; and (C) the compensation programs and reward structures currently utilized in the workplace." Under section 204(b) of the Act, from its study, the Commission is to prepare and submit to the President and the appropriate committees of Congress a report, containing findings, conclusions and recommendations. Section 202(b)(2) of the Act establishes a "Frances Perkins-Elizabeth Hanford Dole National

Award for Diversity and Excellence in American Executive Management," an annual award to be given to businesses which have demonstrated excellence in promoting a more diverse skilled workforce at the management and decisionmaking levels in business.

The Glass Ceiling Commission, chaired by Labor Secretary Robert Reich, has 21 members. A number of the members are entrepreneurs. One of them, Ms. Beverly A. King, is the president of an independent management consulting firm specializing in the design, development, and implementation of Minority/Women Business Enterprise Programs and Equal Opportunity/Affirmative Action and Minority Business Enterprise Training programs.

Action we will be taking:

As a working woman, I know how wasteful and hurtful it is to have career opportunities stifled by overt discrimination and less obvious hiring and promotion biases. As Secretary Reich has stated, we will take the lead at the Department of Labor to shatter the glass ceiling in corporate America, so that women and minorities are in no way restricted to career choices that do not measure-up to their abilities and to their dreams.

In 1991, the Office of Federal Contract Compliance Programs (OFCCP) of the Department of Labor began its glass ceiling review and found that the barriers to the advancement of women and minorities began at a much lower level than the executive suite. Therefore, we will be looking beyond the artificial barriers that

exist in the executive suite, to the artificial barriers that exist below the executive suite. Indeed, we are also concerned about those women and minorities who have their feet stuck in the "mud floor" of dead-end, low-status, low-wage jobs. In today's marketplace, artificial barriers to advancement, whether at the glass ceiling or at the mud floor, hurt not only individuals, but American society as a whole.

The Glass Ceiling Commission intends to forcefully bring these issues to the attention of American business, so that salaries and opportunities are more equitable, and so that we can help more people move out of poverty. It is not only professionals and managers who are victimized and scarred by artificial barriers to advancement, these barriers also deprive all women and minority workers -- blue- and white-collar women, skilled and unskilled workers -- of role models, mentors, and avenues of mobility which could lead them to a better future.

President Clinton and Labor Secretary Reich have spoken about the need to promote diversity in the workforce, but they have also stated that this should not come at the expense of workforce excellence. Too often, women and minorities are steered by employers into dead-end jobs, using as a rationale that these workers have insufficient or inappropriate skills. For this reason, the Commission will study closely the Labor Department's efforts to improve and expand apprenticeship programs and to develop voluntary national skill competencies.

To me, such action is necessary to help us shatter the glass ceiling, and to help a vital segment of our workforce escape the trap of dead-end, low-status, low-paying jobs. These efforts will also make our work more relevant for those women and minorities whose goals are not to occupy the highest corporate positions.

Statistical information:

At this time, I would like to share with you some data regarding women- and minority-owned businesses in the United States. According to the 1992 Data Report by the National Foundation for Women Business Owners, of the National Association of Women Business Owners (NAWBO), in 1990, women-owned businesses employed close to 11 million workers. These firms provided jobs for about 10 percent of all workers in the United States. There were nearly 5.4 million women-owned businesses in the United States. 28 percent of all businesses were owned and led by women.

According to the 1987 Economic Census published by the Department of Commerce, in 1987, there were over 1.2 million minority-owned firms in the United States. Black women owned the largest share (41 percent) of firms owned by minority women. Hispanic men owned the largest share (37 percent) of firms owned by minority men. Asian-Americans and Pacific-Islanders had the greatest share of receipts for both minority men and women. Minority-owned firms accounted for almost nine percent of the

total number of all individual proprietorships, partnerships, and subchapter S corporations in the United States. Minority-owned and women-owned firms were concentrated in the service industries. The next largest concentration of women- and minority-owned firms were in retail trade.

According to the Census data, both minority-owned and women-owned businesses were concentrated in a few states: California, Texas and New York. Most do not have paid employees. For example, 1982 data showed that 96 percent of Black women-owned businesses had no employees. 88 percent of Asian-American, 94 percent of American Indian/Alaska Native, and 91 percent of Hispanic women-owned businesses had no employees. Large numbers of minority women-owned firms reported no equity capital. Many were home-based.

The Census data also showed that Hispanic- and Black-owned firms hired fewer women employees than either white- or Asian-owned firms. The majority of the owners of Hispanic- and Black-owned employer firms reported that their workforce was comprised of no women employees or only one to nine percent women employees. The Census Bureau survey data also indicated that minorities hire minorities. 42 to 51 percent of the owners of Hispanic-, Black- and other minority-owned employer firms reported that their workforce consisted of 75 to 100 percent minority employees.

In 1987, according to the Census data, most minority-owned

and women-owned firms were operated as individual proprietorships. 39 percent of the women-owned firms and 29 percent of the minority-owned firms had gross receipts of less than \$5,000. While total receipts almost tripled for women-owned businesses during the years between 1982 and 1987, those receipts (1987 receipts were \$278.1 billion), when spread among the 4.1 million companies the Small Business Administration counts as women-owned, imply that few women are becoming rich by being entrepreneurs.

According to the NAWBO, only 18 percent of its members have revenue over \$1 million a year, and 56 percent have revenue under \$250,000 a year. About one-half of NAWBO's members are full corporations, not partnerships and sole proprietorships which are more typical of women-owned businesses.

Conclusion:

Since 1992, the Women's Bureau of the Department of Labor has held more than twenty roundtables throughout the country to obtain recommendations from the participants on ways to help eliminate the glass ceiling. Participants have made the following suggestions:

- o that the issue of access to credit for women-owned businesses be addressed;
- o that the participation of women on boards of corporations be increased;
- o that policy makers be educated on the economic contributions women business owners are making; and,

- o that successful women role models be better publicized and nurtured.

Mr. Chairman and members of the Committee, the Glass Ceiling Commission will be meeting tomorrow, June 25, at the Department of Labor. At the meeting, priorities and the agenda for the next year's work will be formulated. At hearings to be held around the country, it is hoped that chief executive officers of companies will testify not only about their problems, but also about their successes in eliminating the invisible barriers that keep women and minorities from advancing in the workplace. We need successful models to share with corporate America and especially with small business owners, who may not have access to the information and research available to larger corporations.

In closing, let me say that the time has come to tear down, to dismantle the Glass Ceiling and to unleash the flood of talent, energy, competency and creativity that will put us on the threshold of the next American frontier -- where all workers will be better prepared to compete and prosper in a global economy, using the skills, talents and abilities of all Americans, and where all Americans in all occupations are treated as assets to our economy and are fully valued in the workplace. I look forward to working with this Committee on our common concerns for the American worker.

TESTIMONY OF NICKI BROWN
PRESIDENT AND CHIEF EXECUTIVE OFFICER
THE WILTON BANK, WILTON, CONNECTICUT

BEFORE THE
HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS
HEARING ON
THE GLASS CEILING

JUNE 24, 1993

Good morning, Mr. Chairman and members of the Committee. My name is Nicki Brown, and I am president and chief executive officer of the Wilton Bank, in Wilton, Connecticut. I appreciate the invitation to appear before the Committee, and I am pleased that you have provided this opportunity to focus on the glass ceiling.

The Committee is obviously concerned about the interests of small businesses. As President of the Wilton Chamber of Commerce, I certainly share these concerns. My message to the Committee and the small business community is that it is in the best interest of all businesses to eliminate practices that deny women the opportunity for professional advancement. And as a woman who has personally worked diligently to break through the glass ceiling, I also want to send a message to other women that they can overcome the obstacles and roadblocks that might stand in the way of their career goals.

By way of background, the Wilton Bank is a community bank dedicated to serving small businesses and individuals. We opened in April 1987 as a state-chartered commercial bank, and we have been profitable every year. As of the end of 1992, we had \$55 million in assets. We paid our first dividends in 1992, and our second in 1993. In short, we are a profitable, well-run bank.

Our success has been achieved in large part through our commitment to hiring the best possible person for each and every job. Our workforce of almost 15 full-time employees is predominantly female, which is not unusual in the banking industry. What sets us apart, however, is that men do not dominate the top-ranking positions in our bank. Of our five bank officers, four are women, including myself.

Compare this to the financial service industry nationwide, where only two percent of top officials are women. In fact, the balance in our bank is so unique that I am often asked whether Wilton Bank is a "women's bank." (Although I can't imagine someone assuming that a bank is a "men's bank" simply because it is run by a male CEO).

As I mentioned before, we set out to hire the best possible candidates for every job, not to be a "women's bank." I think we ended up with significant female representation in our management for two main reasons.

First, there are demographics. Women make up a large percentage of the banking workforce, so there is a bigger pool of applicants among women. Actually, considering the demographics, it is amazing that there are so few banks in which women have achieved top management positions. It is simply good business sense to cast the widest net in searching for the most talented candidates.

The second reason why so many of my top employees are women is their work ethic. I have found that most successful women have

gotten where they are by working harder and developing more advanced skills than their male counterparts. I know from my own experience in a large bank that I had to work harder than my male colleagues to prove myself. I have also found that women make excellent managers and leaders; they develop good rapport with our customers and are committed to quality in the workplace.

Now, I am not here to promote "reverse discrimination" -- I should point out, for example, that both our senior lender and loan review officer are men. The message I do want to send, however, is that too many businesses have shut women out of the top positions, depriving the companies of the benefit of their special strengths and skills, and denying women the opportunity to meet their professional goals.

I know that some businesses, particularly larger companies, have official company policies in favor of equal opportunities for all workers. Having an official policy is not enough, however, if it fails to achieve the desired results. There can be cultural forces within the companies that serve as barriers to the advancement of women -- "good old boy" networks that promote men who belong to the right clubs, or who went to the right schools. Or there can be lower ranking male managers who feel threatened by the advancement of women, and who serve as roadblocks to the promotion of their female subordinates, regardless of the official company policy.

I would recommend that all businesses analyze their management practices from top to bottom to ensure that women are being given the opportunity to advance. While I am not advocating quotas, I would note that if CEOs -- particularly in the financial services industry -- do not see at least an equal number of men and women in their top management ranks, then there may be a problem. While in some industries the claim is made that women have not been in the "pipeline" long enough to earn the top positions, women have dominated all but the senior levels of banking for decades. If women are not adequately represented in their top ranks, the top management should find out why and where the bottlenecks are occurring.

I would also advise banking officials to recognize that their women employees are important resources, and they should be groomed to attain higher levels within the organization. Attention should be paid to their training, both through formal education and informal support and mentoring. Companies should support their employees' participation in professional organizations such as Financial Women International, an association dedicated to empowering women in the financial services industry to attain professional and economic goals. Through leadership positions with FWI, I developed leadership and communication skills and knowledge of the industry which have proven invaluable to my job and to my bank.

In short, the Wilton Bank's policy of hiring the best candidates and providing them with continued professional support has given us an important edge, allowing us to turn a profit in a competitive industry that has experienced hard times of late -- particularly in our region of the country. I think that companies which fail to take steps to tear down the glass ceiling are depriving themselves of tremendous resources.

In closing, I want to briefly give a message to women who find themselves in the frustrating position of being up against the glass ceiling. It is not only the companies and CEOs that have responsibilities to break down barriers to the advancement of women. Every woman who wants to move up the ladder of professional success needs to take it upon herself to get the training and education to qualify herself for the next rung of the ladder. Women should give their employers no excuses for failing to recognize and reward their experience, determination, and skills.

And in those cases where it seems impossible to change your company from within, you might want to assess whether it's better to strike out on your own, as I and so many other women entrepreneurs have done. Down the road you might even have the satisfaction of being in the position of leading a business with no ceilings at all -- only opportunities.

Thank you Mr. Chairman, and I am happy to answer any questions you may have.

TESTIMONY OF DR. EMMA C. CHAPPELL
FOUNDER, CHAIRMAN, AND CHIEF EXECUTIVE OFFICER
UNITED BANK OF PHILADELPHIA

BEFORE THE
HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS
HEARING ON
THE GLASS CEILING

JUNE 24, 1993

Good morning, Chair LaFalce and members of the Committee. I am Dr. Emma Chappell, and I am founder, chairman, and chief executive officer of United Bank of Philadelphia, the first Black-controlled, full-service commercial bank in Philadelphia, and the only such bank in Pennsylvania. As one who has experienced the glass ceiling firsthand -- as it affects both women and minorities -- I commend the Committee for calling attention to this continuing problem.

I have been in the banking industry for over thirty years -- since I graduated from high school. I started out as a clerk making \$45 a week. After seventeen years, I was named vice president of a major bank. The promotions never came easily -- every one of them took hard work, education, professional training, and a great deal of perseverance. Until I reached the vice presidential level, I always thought that with enough effort and determination, I would be able to get ahead; but, that's when I ran directly into the glass ceiling.

I recognize that being named a vice president is considered an impressive professional achievement. I've always believed that I have the qualifications and drive to achieve more.

I took every step possible to reach the next level -- senior vice president. I went to graduate school, since I was told that maybe then, I would be promoted, but that was not enough. I went through executive training, because I was told that would bring the promotion. Again, that was not enough. I would clear one hurdle, and then another hurdle would be thrown up to block my path. I offered to move laterally, thinking that would give me the experience needed. The bank wasn't interested. Instead, I was given a small raise, a pat on the head, and sent back to my old office.

I remained vice president for 15 years. **15 years.** The company knew my talents and strengths. They used me to train many men who did not have my knowledge or expertise and promoted them over me. And once again, I faced the glass ceiling. I remained a vice president of the company.

In the early 80s, the women's movement appeared to have some impact on banks. These were the times the power structure, while being aware of the need to recognize women, used the divide and conquer tactic on aspiring women executives. They promoted a woman from outside our department to the position of senior vice president. This created friction among the women, illustrating the divide and conquer tactic.

After using this other woman to block me, they got rid of her anyway -- another glass ceiling maneuver.

I was not content to remain in this situation -- knowing that I was being passed over simply because I am a Black woman. Instead, I decided to step out on my own, with no one to tell me that I've gone far enough or achieved enough success for his own comfort.

During my career, I had been very active in the community, both politically and through volunteer work. That gave me a large network from which to seek support. Furthermore, through my business and community activities, I learned that countless other women and minorities were being shut out of society in many ways. Besides lacking meaningful

opportunities for career advancement, many also lacked adequate access to capital and even basic financial services. That was where I knew I could make a contribution.

I decided to establish a bank dedicated specifically to meeting the financial needs of minorities and women. We raised six million dollars and founded United Bank of Philadelphia in 1992. Three thousand shareholders capitalized this bank -- putting their money on the line believing with me that there is a special market that must be served. And, in one year's time, we have 9,000 customers, and \$26 million in assets. Not incidentally, all of our top officers are women -- and they are Black, White and Hispanic.

We are providing a valuable service to the community, while giving women and minorities tremendous opportunities for professional advancement. I have refused to allow artificial barriers -- either formal or informal -- to keep down women and minorities in my organization. This has been one of the reasons for our tremendous success after being in operation for such a short time.

The moral of my story is that women and minorities are not content with the status quo, if it means second-class status in their workplaces. We must work to foster environments that are supportive of the advancement of all individuals -- based on merit, not on their sex or the color of their skin. Not only would this ensure that every person is treated with the dignity he or she rightly deserves, it would enable every company to take full advantage of the rich pool of talent that is available.

For too long, I lived with a work environment that was openly hostile to helping a Black woman get ahead. In this day and age, that should be recognized as unacceptable. This is the time and the place for us to work together to break down these barriers and these stereotypes. America must take full advantage of all of its untapped resources.

I am a pioneer as a Black women rising up through the ranks of the prestigious financial services industry. I've experienced a great deal of pain along that journey. I can only hope that through my struggles, I have served as a role model for not only my two daughters, but many of the young people our bank is encouraging and teaching how to manage money, and how to invest in themselves and their futures both by savings, education, and training.

Let us make the American dream a reality and shatter the glass ceiling.

Thank you for the opportunity to share my thoughts with you.

TESTIMONY OF
EMILY MAY F. RICHARDS, C.P.A.
PRESIDENT, THE RICHARDS GROUP, P.C.

BEFORE THE
HOUSE OF REPRESENTATIVES
COMMITTEE ON SMALL BUSINESS
HEARING ON THE GLASS CEILING

JUNE 24, 1993

Good morning, Mr. Chairman and members of the Committee. My name is Emily-May Richards, and I am President of The Richards Group, P.C., of Atlanta, Georgia and an active member of Financial Women International ("FWI"). I want to thank the Committee for its attention to the glass ceiling, which blocks many highly-qualified women from senior management. I would like to share with the Committee my personal experiences with the glass ceiling, both as an employee and as an employer; present an overview of the situation facing women in the financial services industry as a whole; and discuss steps that can be taken to tear down the glass ceiling.

Following a four-year degree with high honors in Accounting from the University of Delaware, I started out in public accounting as an entry-level accountant in Florida in 1969. I became a Certified Public Accountant in August 1971. After a move to Georgia in September 1971, I was hired as an accounting clerk by a major bank holding company in Atlanta. In November 1974, I was named Vice President and Assistant Controller. I was only the second female vice president and the youngest vice president ever named by the bank.

In November 1977, I was named as Director of Audit of the holding company and the bank (which had \$2.5 billion in assets). In March 1980, I was appointed Treasurer of the mortgage company, the second most senior position in that subsidiary company. During the five years I held that position, the top job opened up two times. At the time of the first opening, a man on staff who had been there longer got tapped for the job. I was not interviewed or approached about the job. When that person then left, I expressed interest in the job, but again was not even interviewed -- despite my strong qualifications. Management apparently did not even consider appointing a woman to the post.

When it became clear to me that I had reached the glass ceiling at the bank, I decided to leave. I wanted to stay in banking, but I encountered the same situation: women were not invited in senior management, and the banking industry was in turmoil.

Instead of remaining in banking, I started my own Certified Public Accounting practice, The Richards Group, P.C., seven years ago. The hallmark of the Richards Group has been its commitment to providing a flexible working environment that promotes the strengths of each of my employees, five out of six of whom are women.

I did not plan to employ a disproportionate number of women, but my policy of workplace flexibility, including part-time arrangements and flexible hours, has been a magnet attracting highly-qualified women (three of whom also left the financial service industry). It is surprising that more companies haven't realized that they can gain valuable resources by providing

environments that attract, retain, and promote talented, experienced women.

Unfortunately, an awareness of the value of women in upper management has not been widespread in the financial services industry in particular, or in American business in general. In 1992, there were nearly 2 million employees in banking -- 70.6 percent of whom were women, according to the January Department of Labor Employment and Earnings report. Yet U.S. Banker reported last fall that less than one percent of the CEOs at the top 500 American banks were women. In the 100 largest commercial banking companies, only four percent of officers were women. The 50 largest savings institutions did better -- 6.8 percent of their officers were women.

As disappointing as the record is for financial services industry, the national figures are even worse. According to Fortune magazine, less than one-half percent of the highest paid officers or directors of the top 800 public corporations in 1990 were women. Another report found that in 1991, only 2.6 percent of Fortune 500 corporate officers were women. Just 4.3 percent of Fortune Service 500 corporate officers were women, even though women represent 61 percent of all service workers. If we are encountering such problems with the glass ceiling in banking, where women have been in the "pipeline" for decades, imagine what women in fields like engineering and construction face!

One reason that women have not been able to reach the ranks of top executives in the financial services industry is that they are often segregated into jobs that offer little promotional opportunities. For instance, 22 percent of Financial Women International members are employed in the operations area, but an American Banker survey found that only 11 percent of executives in large institutions said their companies would choose someone with an operations background as a CEO.

Other factors contribute to the glass ceiling. Women don't always have the same opportunities as men do to participate in informal meetings and social events where important business contacts and decisions are often made. They are not always told about training opportunities and job openings within companies. And in some cases, men simply do not want to work for women.

Women need to be more aggressive in seeking out the types of positions that offer the potential for advancement, even though this is often easier said than done. Businesswomen must also continue to offer each other support, through formal or informal mentoring and networking.

Several reports and studies on the glass ceiling offer helpful recommendations for businesses seeking to break down barriers to the advancement of women. I would like to briefly mention some of these recommendations.

First is education. We must shatter myths about women in the workplace. Myths that state that women cannot be both committed employees and mothers, or that they lack the desire, education and training needed to get ahead.

We need greater education about the existence of the glass ceiling. A 1990 Financial Women International study found that 73 percent of the industry CEOs surveyed said there was no glass ceiling for women and minorities. Yet 71 percent of the women polled reported that a glass ceiling did indeed exist in the industry. I would think that the only evidence CEOs would need regarding the existence of the glass ceiling could be found by simply looking at the demographics in their own executive suites.

Second, businesses should help employees get ahead by providing better information about, and access to career-enhancing opportunities, such as training programs.

Third, companies should strive to provide a work environment that is supportive of the multiple commitments workers have, including work, family, and education. From my company's experience with a family-friendly workplace, I can tell you that there is a tremendous payback in terms of morale, productivity, and quality.

Fourth, companies should adopt official policies supporting equal employment opportunities, and hold top executives and managers accountable for meaningful progress. This requires that managers be trained in the identification and development of future talent, and be performance-rated and rewarded for such personnel development.

And fifth, we should place more emphasis on recognizing "success stories" -- businesses that have found ways to tear down the glass ceiling. I think that by identifying model programs and showing the progress that has been and can be achieved, we could provide helpful examples for other companies to emulate.

I think these recommendations provide a helpful blueprint for companies looking for ways to break down barriers in the workplace.

Finally, let me add that the debate on the glass ceiling should not be a case of "men-versus-women." Women and men both have valuable strengths that businesses should utilize. I, and others who have worked on this issue, would just like to see women have an equal chance to advance their careers and contribute their talents at the highest levels of business. I welcome any assistance the Committee can provide in helping us reach our goal of breaking down the glass ceiling for women in every industry.

HRC**Hubbard & Revo-Cohen, Inc.**

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**TESTIMONY
of
KARETTA B. HUBBARD, PRINCIPAL,
HUBBARD AND REVO-COHEN, INC.
FOR THE HOUSE SMALL BUSINESS COMMITTEE**

June 24, 1993

Mr. Chairman and members of the committee, my name is Karett Hubbard. I am a principal in the consulting firm of Hubbard and Revo-Cohen. I appreciate the opportunity to present to this committee an overview of glass ceiling issues occurring in the workplace today. Hubbard and Revo-Cohen, Inc. is an international human resources firm specializing in gender and race issues in the workplace. Since 1984 we have provided strategic planning, compensation technologies and training programs on these issues to private sector companies, non-profit organizations, unions and federal, state and local governments across this country and in Canada. We consult on workplace issues to Japanese clients as well.

Based on our work over the last decade we have determined several facets of these complex issues that can provide a context in which to understand the barriers faced by women in the American workforce today:

1. **WORKFORCE 2000 DEMOGRAPHIC CHANGES HAVE CREATED A VALUES SHIFT IN THE WORKPLACE**
 - o The primary cause for the shift is that minority cultures such as women and/or blacks, hispanics, asians, native Americans and the disabled have reached critical mass in an organization and are trying to integrate into the white male majority culture. We know that the shift is taking place because conflicts such as sexual and racial harassment occur in startlingly large numbers.

HUBBARD - 2 -

2. *MOST ORGANIZATIONS REALIZE THE VALUES SHIFT HAS OCCURED BUT FAIL TO RESPOND*
 - o Due to the unprecedented number of women and minorities entering the workforce the United States is currently undergoing a values shift in the workplace. Some organizations are grappling with these issues and appear to be on a contiuum with respect to managing them. Some companies are proactive and have begun glass ceiling assessments, training programs and workshops, etc. Others understand that a change is underway but aren't sure how to proceed, but, still most organizations have taken few, if any steps to address the issues of the changing workforce. The reason they don't do anything is that they don't know what to do.
3. *THE CONSEQUENCE OF THEIR INACTION IS THE LACK OF GUIDELINES FOR BEHAVIOR AND POLICY THAT COULD ENHANCE THE STATUS OF WOMEN AND MINORITIES*
 - o Women as well as the other minority groups are uncomfortable from their cultural perspective -- the rules have changed as to what is permissible or acceptable behavior -- even white males feel disadvantaged. Some issues that arise for women as barriers are :
 - lack of consistent work and family policies that allow a balance of work and family life;
 - the expectation that if women have children they can't do the work as effectively as men, i.e. they are denied assignments that require travel -- because the expectation is that they must be home with their children;
 - women still have to walk the corridor between being "not too agressive", and yet "assertive" enough.
5. *THE KEY TO SUCCESS IN DEALING WITH GLASS CEILING ISSUES IS FOR ORGANIZATIONS TO LAUNCH A STRATEGIC PLAN TO MANAGE THE "VALUES SHIFT" OVER A THREE-TO-FIVE YEAR TIME FRAME*
 - o The strategic plan would include a comprehensive cultural audit, a feedback mechanism for management and employees explaining the changes that are taking place, training on a whole range of diversity issues, and appropriate systemic policy changes.

HUBBARD - 3 -

6. *THESE EFFORTS WILL ALLOW WOMEN TO PARTICIPATE IN CREATING THE "NEW VALUES" FOR THE NINETIES WORKFORCE, THUS PARTICIPATING IN AND COMPELETING THE "VALUES SHIFT".*

- o The goal for all organizations is to have a better understanding of the values that women and different cultures bring to the workplace. In order to do this, organizations have to learn how to manage this change in a positive way. Glass ceiling issues can be identified and dealt with in a proactive way. Once an organization commits to examining itself to determine the cultural barriers that exist that may contribute to excluding women, a shift takes place that allows an opening to examine the benefits that other cultures may bring to the workplace. This examination can be accomplished by:

examining the disparity between the makeup of upper mangement and the makeup of the organization's workforce demographics, and assess why women and minorities don't meet the "model for success" standard in the company,

- establishing a task force to conduct an analysis of the barriers,
- providing feedback to the organization about the barriers,
- creating and implementing solutions to erase the barriers overtime.

7. *THE FEDERAL GOVERNMENT SHOULD TAKE A PROACTIVE ROLE IN ENCOURAGING GLASS CEILING INIATIVES*

As a policy objective we recommend that the federal government and federal contractors take the lead to require all agencies to conduct glass ceiling assessments. This proactive initiative will provide the signal to the rest of the workforce that there are successful strategies in managing this diverse change that can result in breaking the glass ceiling.

I appreciate the opportunity to address the committee and look forward to answering any questions you may have.

U.S. DEPARTMENT OF LABOR

OFFICE OF THE SECRETARY
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June 30, 1993

The Honorable John J. LaFalce
Chairman, Committee on Small Business
U.S. House of Representatives
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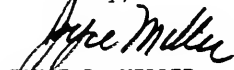
Dear Mr. Chairman:

Thank you for the opportunity to testify before the Committee on Small Business last Thursday. It is always a pleasure to share the Commission's charter and goals with not only a concerned audience, but with one that can help make a difference.

As I mentioned during the question and answer session, the Commission voted on its mission statement at our meeting on Friday, June 25. As promised, I have enclosed a copy for your information.

I look forward to working closely with you and the members of your committee.

Sincerely,



JOYCE D. MILLER
Executive Director
Glass Ceiling Commission

THE GLASS CEILING COMMISSION

MISSION STATEMENT

The Glass Ceiling Commission will: 1) build public awareness of the specific behaviors, practices, and attitudes that either cause or prevent advancement by minorities and women to leadership and management positions; 2) develop concrete policy recommendations for improving and expanding employment opportunities for minorities and women; and 3) provide leadership in developing and communicating the Commission's equal employment opportunity agenda.

ISSUES AND STRATEGIES

- o Examining how the glass ceiling is generated by various types of discrimination at all levels of employment:

In order to develop public understanding of the glass ceiling which will lead to public support for policies to eliminate it, the Commission should examine its component parts, i.e., the specific behaviors, practices, and attitudes that prevent advancement by minorities and women. Examples of the components of "glass ceiling" discrimination include: pay inequities, sex- and race-based stereotyping, sexual and racial harassment, the lack of family-friendly work place practices, "mommy-track" policies, and pregnancy discrimination. Indeed, such discrimination prevents most minorities and women from ever reaching positions where they can even see a glass ceiling.

Specifically, the Commission's "advancement study" should include an examination of the ways in which the glass ceiling is generated by various forms of sex- and race-based discrimination at every step and every level of the work force.¹

To accomplish this, the Commission could engage in fact-finding hearings and could solicit and accept testimony, statements, studies, and reports that address issues such as: stereotyping (e.g., situations where subjective

¹This inquiry could be included as part of the Commission's mandate to: examine the opportunities for minorities and women to advance to management and decisionmaking positions in business; conduct comparative research of business and industries in which minorities and women are not promoted to management and decisionmaking positions; and to examine any other issues and information relating to the advancement of minorities and women.

decision-making processes work to exclude minorities and women); the wage gap (examining how minorities and women do not receive the same rewards for education and experience as do white men); family-friendly workplace policy and/or harassment.

Throughout this work, the Commission should address the glass ceiling phenomenon as it affects both race and gender issues, with particular emphasis on the barriers faced by minority women due to double discrimination. (In its initial 1991 report on the glass ceiling initiative, the Department of Labor concluded that the barriers faced by minority women "appear to be nearly impenetrable".) All too often, efforts to examine and eliminate the glass ceiling have focused solely on gender--or, alternatively, solely on race--to the exclusion of the unique needs of minority women.

- o Linking glass ceiling issues to the economic recovery:

The Commission should use its visibility to help make clear to policymakers and to the public that improving employment opportunities for minorities and women must be a key component of any plan to improve the economy, because gender- and race-based job inequities not only unfairly and inefficiently limit the incomes of workers and their families but also limit the nation's competitiveness to the extent that the best talent available is not used. Similarly, the Commission should also examine and explain the ways in which the glass ceiling depresses productivity by limiting opportunities for the minority workers and female workers upon which our economy has become increasingly reliant in light of shifting work force demographics.

- o Providing leadership in developing and promoting the Commission's equal employment opportunity agenda:

The Commission should use its visibility, including any hearings process to carry out the statutory mission of the Commission. The Commission's studies, reports and recommendations will increase public understanding of the barriers to advancement faced by minorities and women and therefore should lead to more support for policies and practices to eliminate the glass ceiling. For example, the Commission should use its specific mandate for policy recommendations on enforcement techniques as the basis for providing leadership in developing and promoting the EEO objectives of the legislation. The report could include policy recommendations on ensuring that the jobs components of the President's economic plan includes measures that facilitate equal access by women and minorities to newly

created jobs that have possibilities for advancement. As another example, the Commission's report should include recommendations that address the federal EEO enforcement agencies -- the EEOC, the OFCCP, and the DOJ.

o Continuing to build public support for policies designed to increase diversity and to break through the glass ceiling:

The Commission could use the time remaining between the 1994 release of its report and the termination of the Commission in November 1995 in several ways, including:

- making sure that policymakers are fully aware of its study and report to assure that they are armed with information necessary to work for effective measures which will break thorough the glass ceiling;
- commissioning public opinion research, such as focus group research, to develop strategies for building public awareness of the need for, and methods of achieving, diversity in employment; and
- commissioning further research on the economic case for diversity as beneficial to the corporate bottom line and our nation's long-term economic health.

ADDITIONAL AVENUES FOR GLASS CEILING ACTIVITY

Apprenticeship and Skills Certification

Up to now, the public's principal perception of the Glass Ceiling Commission activities has been the advancement of women into mid and upper level white-collar corporate positions. This perception must be changed to include minorities' and women's advancement potential in a broader range of occupational groupings, including the skilled trades. Too often, minorities and women are steered into jobs which limit their career growth, using as a rationale that they have insufficient or inappropriate skills.

Linking the department's efforts to improve and expand apprenticeship programs and certify skill competencies to the Commission's mandate to encourage the improvement of career development for minorities and women is a logical and necessary match. Not only will these efforts help to shatter the glass ceiling, but they will also enable an increasingly important segment of the work force to rise above the "sticky floor" which traps too many in dead-end, low paying jobs. It will also enlarge the scope of the Glass Ceiling Commission's mandate and give its work relevance to minorities and women who do not aspire



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to corporate positions.

Valuing Diversity

Smart companies have been fostering work force diversity for years, in preparing for competition in an increasingly multicultural global marketplace. For smart managers in high performance organizations, valuing diversity is above all a pragmatic strategy for sustaining growth in an era of intense competition and changing labor force composition. The Glass Ceiling Commission must emphasize the benefits to all organizations of having a work force where the energies and creative talents of all its workers are maximized and valued.

Bottom-Line Benefits

In the Commission's efforts to enlighten and encourage organizations to open avenues of career advancement and enhancement to minorities and women, it should promote the concept that this is more than an affirmative action issue which may have enforcement consequences. The idea is that it is a smart strategic business decision. Employers need to protect and preserve their investments in their human resources by providing opportunities to fully utilize the skills of all their workers or lose them to competitors.

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